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PROBLEMS OF THE DEVELOPMENT OF THE DAIRY INDUSTRY IN UKRAINE DURING THE COVID-19 PANDEMIC AND THE MILITARY CONFLICT

PROBLEMY ROZWOJU PRZEMYSŁU MLECZARSKIEGO NA UKRAINIE W OKRESIE PANDEMII COVID-19 I KONFLIKTU ZBROJNEGO

***Abstract:** The aim of the study is to present and evaluate the impact of the COVID-19 pandemic and the war in Ukraine on the development of the livestock industry. The most important results of government activity are the positive solutions in the export of agricultural products, and namely: cancellation by the EU of all customs duties and quotas for exports from Ukraine for one year; initiation of the paths of solidarity and allocation of EUR 1 billion for their development; agreements between Ukraine and Poland on the construction of a cross-border oil pipeline to Gdansk; joint work with the neighbors to simplify the procedure of grain export at all borders; initiation by Ukraine of the “Grain from Ukraine” humanitarian program to prevent famine in African, Asian, and Latin American countries. It is proposed to provide state support and involve international organizations and EU countries in the restoration of animal populations and the reconstruction of livestock complexes by introducing specialized grant programs aimed at the purchase of young animals for Ukrainian farmers, their vaccination, and the construction of family-type livestock farms. It is necessary to create a cargo logistics center for the needs of animal husbandry with the help of international donors, which will increase the level of food security of both Ukraine and the EU as a whole. It is essential to adapt the agrarian policy of Ukraine to the relevant provisions of the common agricultural policy of the EU and to bring domestic legislation in this area into compliance with the requirements related to Ukraine’s accession to the EU.*

Keywords: dairy cattle breeding, development, COVID-19 pandemic, war in Ukraine.

JEL codes: Q17, Q38.

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Streszczenie: *Celem badania było przedstawienie i ocena wpływu pandemii COVID-19 i wojny na Ukrainie na rozwój branży hodowlanej. Uważamy, że do ważnych rezultatów działań rządu należy osiągnięcie pozytywnych rozwiązań w eksporcie produktów agrarnych: zniesienie przez UE wszystkich cel i kontyngentów na eksport z Ukrainy na okres jednego roku; zainicjowanie „ścieżek solidarności” i przeznaczenie na ich rozwój 1 mld euro; umowy między Ukrainą a Polską o budowie transgranicznego ropociągu do Gdańska; wspólna praca z naszymi sąsiadami na rzecz uproszczenia procedury wywozu zboża na wszystkich granicach; zainicjowanie przez Ukrainę programu humanitarnego „Ziarno z Ukrainy” w celu zapobiegania głodowi na terytoriach krajów Afryki, Azji i Ameryki Łacińskiej. Zaproponowano udzielenie wsparcia państwa oraz zaangażowanie organizacji międzynarodowych i krajów UE w odbudowę populacji zwierząt i odbudowę kompleksów hodowlanych poprzez wprowadzenie specjalistycznych programów dotacyjnych, mających na celu zakup młodych zwierząt dla rolników ukraińskich, ich szczepienia oraz budowę rodzinnych gospodarstw hodowlanych. Według autorów należy utworzyć centrum logistyki cargo na potrzeby hodowli zwierząt przy pomocy międzynarodowych darczyńców, co zwiększy poziom bezpieczeństwa żywnościowego zarówno Ukrainy, jak i całej UE. Istnieje potrzeba dostosowania polityki agrarnej Ukrainy do odpowiednich postanowień wspólnej polityki rolnej UE oraz dostosowanie ustawodawstwa krajowego w tym zakresie do wymogów związanych z przystąpieniem Ukrainy do UE.*

Słowa kluczowe: hodowla bydła mlecznego, rozwój, pandemia COVID-19, wojna w Ukrainie.

Kody JEL: Q17, Q38.

Introduction

The livestock sector occupies an important place in the agrarian complex of the economy of many EU countries. The development of animal husbandry remains an important condition for food security, a stable socio-economic state, and a significant reserve for the export of agricultural products. According to preliminary estimates, 15–20% of cattle, pigs, and poultry have been lost due to military actions. In this situation, farms struggling for their existence are forced to reorient themselves, look for alternative ways and restore the industry. The main problems faced by animal husbandry today are: lack of funding for payment of labor and other operating costs for enterprises that suffered direct material losses as a result of the war; relocation of production facilities from regions where active hostilities have continued or are continuing; complicated logistics in connection with blocked ports, etc. and its price increase; complex certification of product compliance with the requirements and standards of EU countries; distressed instruments of insurance/letters of credit under export contracts. With the decline in production volumes, the domestic market for dairy products consumption in Ukraine during the war also significantly decreased due to a large wave of migration of citizens abroad, a number of unfavorable socio-economic factors, a drop in the purchasing power of the population due to a rapid growth in prices, which increased the export of dairy products. Theoretical and practical problems of the development of dairy cattle farming has been researched by scientists, such as: Binert et al. (2021), Elfeel et al. (2020), Kaminskyi et al. (2021),

Kerancchuk (2015), Kruglyak et al. (2020), Radko et al. (2019), and others. Therefore, it is important for the development of the economy of Ukraine and the EU to develop ways to restore the livestock industry.

Research Purpose and Methodology

The purpose of the study is to present and evaluate the impact of the COVID-19 pandemic and the war in Ukraine on the development of the livestock industry. This article is mainly based on the analysis of research results and scientific articles published during the period of Russia's full-scale invasion and the COVID-19 pandemic by Ukrainian and Polish scientists as well as statistical data from scientific institutions. The study covers the dynamics and changes in the livestock production sector in Ukraine and the EU from 2019 to 2023. The research used statistical data of the State Statistics Service of Ukraine and Eurostat and other available data, legal acts, and literature on this issue. The research employed monographic and comparative methods. Descriptive, graphical, and tabular methods were used to present the research results.

Research Results

As of January 1, 2023, the direct losses of agricultural producers in Ukraine are estimated at 7832.4 million USD (UCAB, 2023). The greatest losses are recorded in agricultural machinery, finished products, and grain storages. However, the development of Ukraine's economy has an optimistic prognosis. Thus, in its new inflation report for April 2023, the NBU predicts real GDP growth of 2% by the end of 2023 (National Bank of Ukraine, 2023). In 2023, the Ukrainian authorities will continue the operation of special programs aimed at supporting domestic producers of agricultural products. Thus, the government has already succeeded in simplifying farmers' access to credit resources: in 2022 more than 40 thousand producers received loans in the amount of USD 2.5 billion. Also, 70 applications for the development of gardens and eight applications for the construction of greenhouses with a total cost of USD10.28 million were signed as part of the grant program. In March 2022, the lending program was expanded, and thanks to it, manufacturers received up to USD 1.6 million at 0% annual interest, and 80% of the amount was provided with state guarantees. Entrepreneurs could offer manufactured products as collateral (Yalivets, 2022). An important indicator of the development of the industry is the active export of manufactured products. The main export category of Ukraine is dry milk – its sales volume outside the country amounted to 4.9 thousand tons worth USD 15.8 million. Export of butter – almost 2 thousand tons (USD 11.3 million), whole milk and cream – 2.65 thousand tons (USD 1.37 million). In general, experts believe that, under the current situation,

the most export-oriented products are milk powder, whey, casein, and butter. Also the achievement of the following positive solutions in the export of agricultural products is among the important results of government activity (Stepovy, 2022):

- cancellation by the EU of all customs duties and quotas for exports from Ukraine for one year;
- initiation of the paths of solidarity and allocation of EUR 1 billion for their development;
- agreements between Ukraine and Poland on the construction of a cross-border oil pipeline to Gdansk;
- joint work with the neighbors to simplify the export procedure of grain export at all borders;
- initiation by Ukraine of the “Grain from Ukraine” humanitarian program to prevent famine in African, Asian, and Latin American countries.

Today, Europe has become the main export destination. It is currently the main logistics corridor for the products of the Ukrainian dairy industry (both for the markets of EU Member States and for transit flows). About 54% of domestic dairy products are supplied to EU countries, in particular Poland, the Netherlands, and Lithuania. In monetary terms, this is approximately USD 19 million. Despite the rather attractive prices and the removal of quotas for Ukrainian products, the supply of Ukrainian products to the European Union is still limited due to logistics problems. However, they are gradually being eliminated and European traders are showing their willingness to increase cooperation with Ukrainian exporters. Zero duties and fees within the free trade area agreements make Ukrainian products competitive not only in European markets, but also in Canada and Great Britain (Svyrydenko, 2022).

Table 1 shows that the state of war has a significant impact on exports and imports, so exports decreased by 35.1% and imports by 24.1%, and the export–import coverage ratio was 0.80 (in 2021 it amounted to 0.93).

Table 1. Commodity structure of foreign trade in 2022 (Ukraine)

Product name	Export			Import		
	million USD	until 2021 (%)	total volume (%)	million USD	until 2021 (%)	total volume (%)
Total	44,148.8	64.9	100.0	55,273.5	75.9	100.0
Live animals; products of animal origin	109.5	3.3	1,174.8	73.7	2.1	2.1
Plant products	86.7	30.5	1,926.6	90.4	3.5	3.5
Grain crops	73.8	20.6	153.4	92.4	0.3	0.3
Animal or plant fats and oils	5,949.4	84.5	13.5	293.9	66.2	0.5

Source: UCAB (2023).

The catastrophic situation occurred with the export and import of live animals and products of animal origin, where the decrease occurred by 97%. Currently, certain shifts in the recovery of exports are visible, but its indicators are still far from those of previous years. Thus, the export of dairy products increased by 10% compared to 2021 and amounted to 700 thousand tons, while imports decreased by 50%. The main export categories (in monetary terms) were dry milk (26% in the total structure), butter (24%), and casein (21%), a smaller share was made up of: cheese, spreads, whey, canned milk. The main sales market is Europe due to logistical advantages, high prices, and the abolition of customs regulations. Dairy products are also supplied to Kazakhstan, Azerbaijan, Georgia, and China. Cattle breeding in Ukraine is definitely a strategic branch of animal husbandry, which, in addition to providing the population with food, also creates jobs in rural areas due to the year-round operation of production, thereby supporting the social stability of rural communities. In fact, almost 76.3% of all milk in the country continues to be produced by households, while the rest comes from agricultural enterprises.

At the same time, compared to previous years, in the sector of agricultural households, there is a decrease in their specific weight in the total volume of milk production. The reasons for this phenomenon are the decrease in investment attractiveness of the industry, the restructuring of agricultural enterprises, and the opening of the land market.

One of the obstacles to the development of animal husbandry in Ukraine is the lack of a land market. The opening of the land market can improve the investment attractiveness of domestic animal husbandry, because for most segments of the animal husbandry industry, own land bank is a guarantee of stability in fodder supply, and often also a reduction in the cost of fodder.

The accumulation of a significant number of problems in the functioning of the dairy industry leads to a reduction in the number of cattle, in particular cows, as a result of which there is a decrease in the volume of milk production. At the same time, there is a tendency to decrease the number of breeding farms – the owners of the valuable gene pool of animals, which will undoubtedly have negative consequences for the further development of the industry. Restraining factors for the development of the dairy industry are:

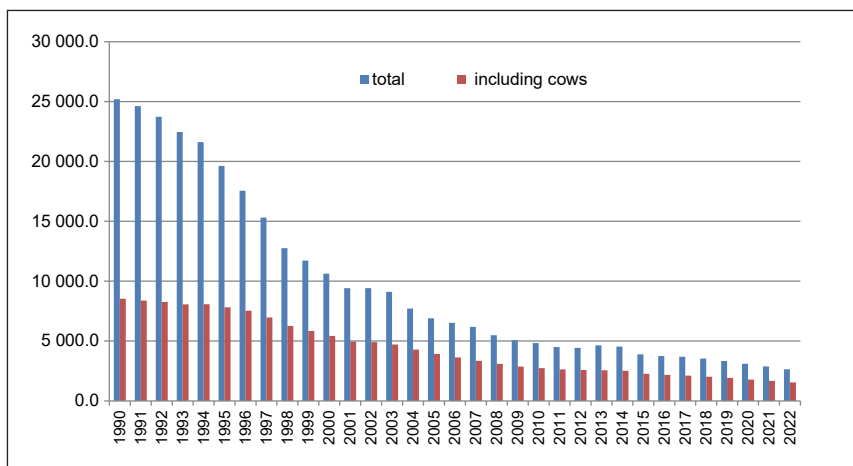
- long payback period and investment return period;
- insufficient amount of land fund owned by milk producers;
- restoration of the selection system;
- incomplete compliance with European quality standards, which makes it impossible to increase milk exports;
- lack of legal basis for improving export operations.

The tragic year 2022 turned out to be the most difficult for all branches of the state's economy, including dairy (Figure 1).

Compared to 2021, the number of cows, milk production, and milk processing decreased by 15%, 14%, and 21%, respectively (MilkUA.info, 2023). Agricultural enterprises kept 0.93 million cattle, which is 6.4% less than in 2021.

Households kept 1.38 million heads of cattle (-13,5%). Including this fact, the number of cows in all categories of farms decreased by 13.1% – to 1.34 million heads. According to preliminary estimates of the State Statistics Service, agricultural producers, kept 387.6 thousand cows, which is 8% less than last year. Households kept 953.8 thousand cows, which is 12.5% less than last year’s figures (State Statistics Service of Ukraine, 2023b).

Figure 1. Number of cows in Ukraine on January 1, 2023 (thousand heads)



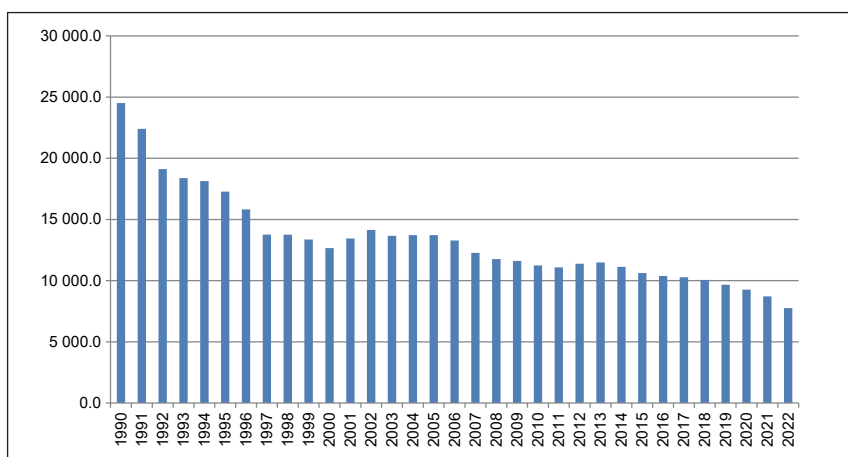
Source: State Statistics Service of Ukraine (2023a).

The industry experienced the greatest losses of livestock and production volume in the first months of the war. The occupation of the territories and military operations had the effect that a large number of livestock was simply destroyed by the Russian invaders, and part of the farms were forced to be sold for nothing, at best it was transported to safer regions.

Interruptions in the supply of fodder and veterinary drugs, as well as the supply of electricity, also had an impact on the productivity of cows, which ultimately led to a reduction in the total volume of production (Figure 2).

Analyzing the general state of milk production, one can observe a trend of decreasing production. Since 1990, production decreased by 68.3%. The situation became relatively stable between 2002 and 2007. And with the beginning of the pandemic, milk production decreased by another 17% and is constantly decreasing taking into account the war factor. Therefore, in order to satisfy the milk demand of processors and consumers, it is necessary first of all to make milk production itself a profitable and competitive type of agribusiness, but this process is long and requires investment costs. First of all, in the reconstruction of farm premises and the qualitative improvement of the breeding composition of the dairy herd, as well as the modernization and renewal of milking systems and equipment for optimized animal feeding.

Figure 2. Production of milk in Ukraine (thousand tons)



Source: State Statistics Service of Ukraine (2023a).

One cannot ignore the fact that in recent years, the balance of cow herd concentration has changed rapidly in terms of forms of management: about 27% of the herd is concentrated in agricultural enterprises and 73% in households. The structure of milk production in Ukraine shows that the main suppliers of this product are households – 68% against 32% produced by agricultural enterprises. Table 2 shows the grouping of enterprises by the number of cows in 2022.

Table 2. Groupings of enterprises by number of cows in 2022 year in Ukraine

	Number of subjects		Number of livestock	
	units	percentage to total	thousand heads	percentage to total
Subjects	1440	100.0	394.2	100.0
of which:				
no more than 50 heads	403	28.0	8.3	2.1
50–99 heads	209	14.5	15.7	4.0
100–499 heads	614	42.7	157.5	40.0
500–999 heads	140	9.7	93.1	23.6
more than 1000	74	5.1	119.6	30.3

Source: State Statistics Service of Ukraine (2023a).

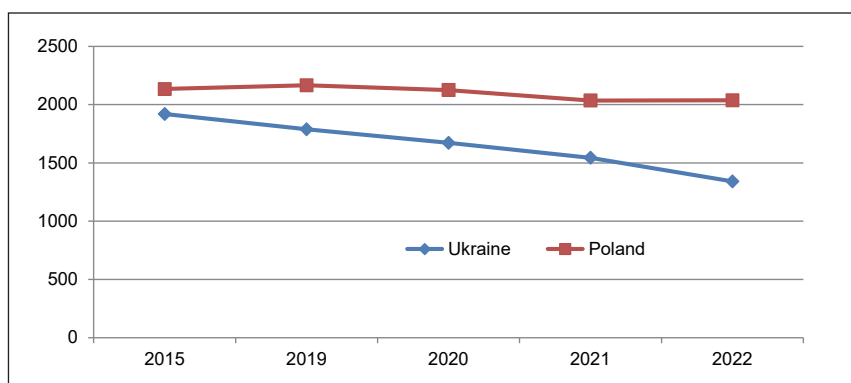
As it can be observed, the largest group (42.7%) is made up of economic entities with the number of heads from 100 to 499, in which 154.5 thousand heads (40.0 %) are kept. This shows that dairy farms are mostly family dairy farm. But it is necessary to pay attention to the fact that 30% of dairy cows are kept on large farms with a number of 1000 or more.

Currently, it is difficult to evaluate or compare milk prices and their trends in Ukraine. After all, the situation on the domestic dairy market does not yet fit into the general picture of the world. But farms in the de-occupied territories (Kyiv, Chernihiv, Zhytomyr, Sumy regions) are trying to resume work. However, it is worth understanding that problematic issues lie not only in the sphere of the sale of raw milk, but primarily in animal health. Most production sites experienced milking disruptions and, as a result, health problems, including mastitis and reproduction.

The average price of extra grade milk in Ukraine as of the beginning of 2023 was EUR 330 per ton, which is EUR 190 less than in Poland, EUR 250 less than in Germany, and EUR 110 less than in Lithuania.

When comparing the number of cows in Ukraine and Poland it is clearly visible that there is a constant increase in the number in Poland, unlike in Ukraine (Figure 3).

Figure 3. Number of dairy cows in Poland and Ukraine (thousands of heads)



Source: Eurostat (n.d.).

Today, the activity of the dairy industry in Ukraine is regulated by about fifty normative legal acts, of which almost 30% are irrelevant and some even have signs of illegality. Numerous contradictions in by-laws put business in conditions of uncertainty. The obsolescence of the norms of the current legislation does not in any way contribute to the development of the dairy industry, since the circumstances for which they were created have changed significantly since their introduction.

An important tool for coordinating the work of the milk market is the Law of Ukraine on Milk and Dairy Products (2004), which was previously recognized as quite controversial and as having a significant number of conflicting norms. However, it was approved in a new version on March 31, 2023, which definitely has a positive effect on the activities of business entities. The Law of Ukraine on Identification and Registration of Animals (2009), which defines the organizational and legal principles of identification and registration of animals for the purpose of obtaining information about the animal population in terms of sex, age, breed,

and their location for improvement of management, forecasting of product markets and control of the epizootic situation, has a considerable number of shortcomings and regulatory gaps that create obstacles for the work of agricultural enterprises. The general legal, economic, and organizational foundations of the breeding business in animal husbandry, aimed at improving the breeding and productive qualities of animals, increasing the economic efficiency of the industry, are regulated by the Law of Ukraine on Breeding Business in Animal Husbandry, which was adopted back in 1993. Despite numerous changes (the last ones were introduced in 2015), the law is still far from perfect. The current state of the breeding system in Ukraine is characterized by:

- in the majority of breeding farms, the keeping of breeding records, productivity records, assessment by type and determination of the breeding (genetic) value of animals is in an unsatisfactory state;
- due to the lack of appropriate computer programs for keeping pedigree records in a significant number of breeding farms, the creation of a centralized information system on breeding (genetic) resources in accordance with the requirements of international animal husbandry organizations has not been completed;
- the information collection system that is sent to the Agency for Animal Identification in Ukraine does not allow for the functioning of a single information space in animal husbandry and does not meet international standards;
- developed systems of automated breeding records in various branches of livestock breeding of Ukraine are aimed at analyzing the situation in the herd and do not provide for the centralization of the selection process with breeds and branches in accordance with international norms;
- there is actually no system of testing breeding bulls;
- in the majority of breeding farms, expert assessment of breeding (genetic) resources and evaluation of the quality of milk of cows for conducting breeding business in animal husbandry is not carried out;
- there is an uncontrolled introduction of imported genetic resources, as a rule, at one's own discretion, unsystematically and without control, often with genetic defects.

Economic factors have a significant impact on the production and processing of milk, the main of which is a sharp decline in GDP in Ukraine, which leads to a decrease in demand, capital investments, and export opportunities. At the beginning of 2022, 140 milk processing enterprises were engaged in milk processing in the country, during the year 38 of them stopped.

Today, compared to the beginning of the military aggression, the situation in the dairy industry has somewhat improved. The production of milk and milk products has increased, trade is working better, and logistics have recovered. However, there are still many unresolved issues. In particular, due to forced migration, the population of the country decreased, and the solvency of the remaining Ukrainians

significantly decreased. In this regard, the domestic consumption of dairy products decreases, which means that there is excess milk that needs to be exported. Thus, for maintaining a normal milk balance, export plays an important role.

The question of the level of provision of milk and dairy products for the population of Ukraine is relevant today. The annual production of milk for 2022 was about 7.5 million tons. This ensures the consumption of dairy products per person of about 229 kg in terms of milk, which is slightly different from last year's indicator in peacetime, but it is lower, compared to the countries of Europe and America (from 296 kg).

Key problems of dairy industry development are as follows:

- decrease in the production of raw milk due to a reduction in the number of livestock;
- loss of agricultural enterprises and livestock in the occupied territories and in the layer zone;
- limited opportunities to export dairy products;
- increase in the production cost of dairy products;
- reduction in the number of consumers of dairy products in the domestic market;
- import of dairy products from Europe, primarily cheeses;
- lack of effective lending tools;
- freezing of state support programs for milk producers and processors during the war.

Today, dairy farms in the de-occupied territories are resuming their work. But during the occupation and after the disengagement, they have a number of critical problems that require immediate solutions. Therefore, the priorities and possible options for solving the problem should include the following:

- restoration of farm infrastructure and renewal of the herd of animals. According to approximate data, 12 thousand – 18 thousand heads of cattle were destroyed (20–90% of the herd at various enterprises), and the total damage is estimated at UAH 2.2 billion;
- provision of fodder and balanced diet. Many farmers faced the fact that it was not possible to make payments for fodder, and therefore there were interruptions in the supply of ration components. There was a need to adjust the rations of animals on farms;
- the level of provision of veterinary drugs and disinfectants. The Association of Milk Producers in cooperation with the All-Ukrainian Agrarian Council and international funds ensured the provision of humanitarian aid to agricultural enterprises. The specially created charity fund “Save Ukraine” cooperates with organizations from all over the world to attract and deliver veterinary and fodder humanitarian aid to farms affected by the military aggression of the Russian Federation, because without sufficient humanitarian aid, most milk producers would be forced to send their cows for slaughter;

- to establish supply, processing, and sales chains. Farms were forced to give away or even dispose of milk because they simply did not have the opportunity to deliver it to processing plants. As of mid-September 2022, almost a third of milk processing enterprises have still not been able to resume their work;
- restoration of documentation. Offices and production buildings of agricultural companies in many districts were used by the Russian occupiers as headquarters or parking places, and the documentation and office equipment of these farms could be destroyed;
- land demining and adjustment of crop rotations. The UN named Ukraine one of the most mined countries in the world. According to preliminary estimates of the State Emergency Service, from 12 thousand to 16 thousand hectares of land remains mined in the de-occupied part of Ukraine, and it is not possible to determine the extent of losses in the temporarily occupied territories. The cost of demining ranges from UAH 24 thousand to 150 thousand per hectare. However, none of the farms that need demining will be able to master them, which is why large areas of land simply cannot be used for crops or as pastures for animals. The worst situation is in Kharkiv Region, where, for example, there are two dairy farms left in the Kupyan district;
- solving management problems of martial law: lack of personnel due to internal and external migration of human resources, mobilization of workers;
- optimization and increase of the amount of working capital. Until the moment of deoccupation, the enterprises that were in the front-line zone, the war zone, could not take advantage of any state programs, in particular, cheaper loans.

Professional associations should play an important role in the formation of a favorable institutional environment for milk producers. Currently, there are professional self-governing organizations that unite milk producers, for example, the Association of Milk Producers (AVM), the Union of Dairy Enterprises of Ukraine, which cover 2/3 of agricultural enterprises – milk producers, regardless of the concentration level of cows on the farm. Representatives of the associations participate in the formation of the state policy for the development of dairy farming as representatives of the socially significant interests of agricultural commodity producers together with interested state authorities and in creating conditions for regulatory support for the production of high-quality, safe for the life of the population, competitive products of dairy farming.

For about 2.5 million individual agricultural households, milk is a permanent source of income. Therefore, the dairy cooperative should not only contribute to the preservation and improvement of product quality and its promotion on the market, but also become the basis for improving the welfare of the rural population. It is expedient to create dairy cooperatives on the territory of settlement communities in the absence or insufficient availability of stationary procurement points of milk processing enterprises and when the number of personal agricultural farms have at least 200 cows. The main problem of the development of dairy cooperatives is the creation of a material and technical base, the desire

of community residents to assume responsibility and certain obligations. Such an association will work effectively if its membership is from 100 or more animal owners, who will provide a daily volume of milk from 1.5 thousand tons.

It is also important to note that it is possible to build a competitive model in Ukraine only under the conditions of forming an optimal ratio of the share of private households, family farms and specialized large commodity farms, which will ensure a decrease in the cost of milk and an increase in price due to higher quality products.

In the current conditions, the issue of state regulation of the economy of the agricultural sector as a whole and its dairy sub-complex acquire special importance. The key issues of state regulation of the industry are:

- revival of the breeding potential of dairy cattle breeding;
- settlement of the issue of relations with trade networks – in particular, in terms of the timeliness of settlements with suppliers of dairy products;
- provision of available credit resources to dairy enterprises;
- stimulating the development of dairy farming, improving the quality, and ensuring the affordability of raw milk at the expense of state financial support;
- promoting the increase in sales of dairy products, in particular, export deliveries, access to new sales markets, improvement of export logistics, state orders;
- promoting the competitiveness of domestically produced dairy products;
- legislative settlement of the issue with falsification, with grey schemes for the production and sale of dairy products and protection of domestic producers from imports (draft law on amendments to the Law on State Support for the Development of Agriculture on State Support for the Development of the Dairy Industry No. 7072). (Budget Uteka, 2022).

The revival of dairy farming is not possible without the coordination of efforts of state bodies represented by the Ministry of Agrarian Policy and Food of Ukraine, local authorities, self-government organizations, milk producers, educational and scientific institutions.

To solve all these problems, it is necessary to form and implement measures for the development of the dairy industry on an innovative basis. To achieve this, it is necessary to adhere to clearly defined stages and requirements for the development of the concept of dairy cattle development, which are as follows:

1. The concept should be developed on the basis of a long-term forecast of the development of cattle breeding, and therefore it is expedient to turn it into the national program for improving the efficiency of the functioning of agricultural enterprises on an innovative basis.
2. The concept should be focused on the use of modern methodological tools, which will ensure production efficiency and competitiveness of the products of the dairy industry both on the domestic and on the global agricultural market.

3. In this concept, it is necessary to provide for a selective, differentiated protectionist state policy. However, it should be limited to effective fiscal policy measures. At the same time, it is expedient to pay significant attention to the innovative renewal and increase in productivity of personal households, which produce a significant part of the products. In addition, it is necessary to support cooperative relations.
4. It is necessary to take into account the regional peculiarities of the development of the industry, form interregional programs for zones with the same natural and climatic conditions.

To restore the breeding system of farm animals in Ukraine, it is necessary to:

- implement the appropriate system of collection and processing of information on breeding;
- develop the centralized information database on breeding (genetic) resources and breeding subjects in animal husbandry;
- conduct a centralized evaluation of breeding (genetic) value, organization of work on genetic examination of the origin and anomalies of animals;
- modify or make changes to breeding programs of relevant breeds of agricultural animals in connection with the current state and trends;
- restore state books on breeding animals and prepare catalogs of breeding animals.

In order to improve the efficiency of the development of dairy farming, it is necessary to ensure:

- establishment of state subsidies for the increase in the number of cows regardless of the forms of management and the size of farms,
- stimulation of purchase by agricultural enterprises of heifers and heifers in breeding farms,
- setting a price to stimulate the quality of milk (payment for grade).

Summary and Conclusions

In view of the current situation and forecasts about the development of animal husbandry at the current stage, the following key tasks need to be solved. The first is to promote the restoration of animal populations and the reconstruction of livestock complexes, which can be solved by appealing to partner countries and international organizations, so that the latter will introduce specialized grant programs aimed at the purchase of young animals by domestic farmers, their vaccination, and the construction of livestock farms of family type, and also provide funding for such programs. The second is the creation of a cargo logistics center for the needs of animal husbandry with the help of international donors. The third is the adaptation of the agrarian policy of Ukraine to the relevant provisions of the common agrarian policy of the EU, bringing domestic legislation in this area into compliance with the requirements related to Ukraine's accession to the EU.

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