

Modern state and prospects of development of meat-processing branch

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The purpose. To analyze situation in the market of meat and meat products, to determine principal causes of deterioration of condition of the market, to determine prospects of development of meat-processing complex of Ukraine. **Methods.** System approach to facts, abstract-and-logic approach to generalizations. **Results.** Production of meat of auk and pork in 2003 — 2016 has increased, while of beef — has decreased. Actual consumption of meat and meat products is less than rational norm for 20,3 kg. Livestock of all kinds of animals decreased. **Conclusions.** Production of meat of auk and pork in the future will be increased. Production of meat of cattle is non-profitable, and also requires the state support.

Key words: *meat and meat products, meat-processing branch, level of production, consumption, auk, pork, beef.*

In their scientific works M.P. Sychevskyi, P.T. Sabluk, Y.O. Lupenko, V.Y. Mesel-Veseliak, V.Y. Ambrosov, P.R. Putsenteilo, V.P. Riabokon, V.M. Kepko, N.H. Hryban etc. paid considerable attention to the study of the present state and perspectives of development of the meat processing industry of Ukraine. However, the meat processing industry of Ukraine in its activity still faces a number of significant obstacles that reduce its competitiveness. Due to the lack of quality raw materials, the lack of a balanced logistical system, unpredictable price policy, lack of stability, lack of state support to farmers and other negative factors, a strategically important industry for Ukraine becomes uncompetitive and extremely unprofitable.

This causes the need for further study of the current state of the industry to find opportunities to overcome the current situation and determine the prospects for the development of the meat processing industry.

The Purpose of research - To analyze the situation on the meat and meat products market, to establish the main causes of the deterioration of the market, to determine the prospects of meat industry of Ukraine.

Research methodology. System approach to the analysis of statistical data, abstract-logical approach to generalizations of research results, formulation of conclusions, etc.

Research results. One of the most important factors that characterizes any industry is filling the market with goods at the level needed to ensure a rational standard for meat and meat products consumption. This indicator in Ukraine is 83 kg per capita per year, the minimum norm is 52 kg. During 2000-2015, the consumption of meat and meat products per person per year increased by 56.7%, or by 20.3 kg, reaching only 51.4 kg. That is, despite the growth over the years of actual consumption, this indicator has not yet reached a rational norm, moreover, it barely reaches the minimum mark.

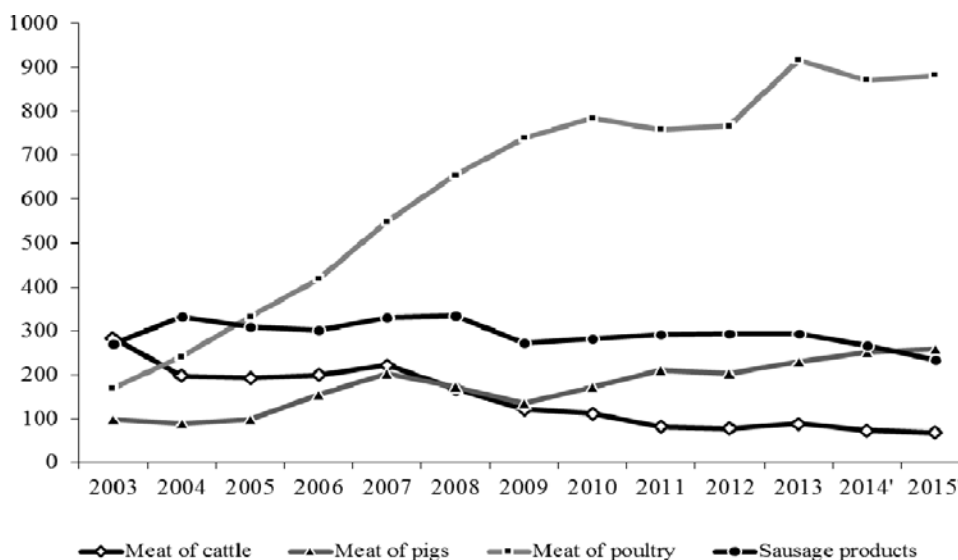
In addition to the general level of rational consumption of meat and meat products, Ukrainians do not

adhere to the proportions regarding the consumption of different types of meat. According to established physiologically necessary norms, every Ukrainian should consume annually: beef - 32.4 kg; pork — 28.2; poultry meat — 16.6; other types of meat - 5.8 kg. In fact, in 2015, the population of Ukraine consumed much more poultry meat than needed, and all other types of meat - not enough. Thanks to the poultry meat, more or less sufficient level of consumption of meat and meat products was provided. If beef was consumed less rational norm by 24.2 kg, pork - by 10.1, other types of meat - by 4.9 kg, then poultry meat exaggerated the norm by 7.6 kg, and this is due to non-compliance with rational norm of consumption meat and meat products of all kinds by 31.6 kg.

This situation is explained by the substitution of expensive meat by consumers of cheaper analogues, the reason for which is the different price of meat and meat products, as well as low purchasing power of the population.

The shortage of feed and the growth of prices for them have led to an increase in the cost of production of livestock products. Together with the production, which was insufficient to meet the needs of the population, this led to an increase in prices for meat and poultry. The purchasing power of the population in recent years has been decreasing, which made it possible for consumers to buy only meat that is part of the middle and low price segments (chicken and pork). As a result, manufacturers reduced the production of unprofitable products and increased - profitable, trying to satisfy the needs of consumers and reduce the loss-making from their activities.

Consequently, the production of poultry meat is steadily increasing (figure). From 169.5 thousand tons in 2003 its supply increased to 882 thousand tons in 2015 (growth by 5.2 times), the reason for this - the low cost of production, and therefore the price that in the conditions of low solvency of the population greatly increases the demand for this product.



Production of meat and meat products in Ukraine, thousand tons

(The figure and the table are formed according to the data of the State Statistics Service of Ukraine. Data for 2014 and 2015 are given without taking into account the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and parts of the zone of the anti-terrorist operation)

In the period from 2003 to 2015, pork production has also increased. Though its price is almost twice higher than the price of poultry, it still holds on the brink of profitability and brings profit to producers.

Since 2003, production of pork has grown by 2.6 times, and its total output in 2015 amounted to 259.9 thousand tons.

The dynamics of the production of sausage products remains relatively stable with a tendency to decrease in favor of increasing demand for pork and semi-finished products. In 2003 - 2015, it decreased by 13.6%. At the same time, the segment of cooked sausages, and other sausages has a rise, the decrease was mainly due to smoked baked products and semi-smoked sausages.

Beef production for the period under review significantly decreased (in 4.2 times). If in 2003 its production amounted to 283.9 thousand tons, then in 2015 - only 67.6 thousand tons. The main reason for such a reduction is a significant decrease in the number of cattle. Thus, as of January 1, 2016, compared to January 1, 1991, it declined by 84.7% (table). In 2016 the number of pigs decreased by 63.5%, the sheep and goat population in 2016 amounted to 15.8% of the 1991 herd. Only the livestock population decreased by only 14.7%. compared to 1991. The number of livestock and poultry as of January 1 in Ukraine, thousands of goals

Kind of animals	Years								Deviations	
	1991	2001	2011	2012	2013	2014	2015	2016	2016 p./1991	
									p.	
								+, -	%	
Cattle	24623	9424	4494	4426	4646	4398	3884	3777	-20847	-84,7
including cows	8378	4958	2631	2582	2554	2443	2263	2172	-6206	-74,1
Pigs	19427	7652	7960	7373	7577	7764	7351	7093	-12334	-63,5
Sheep and goats	8419	1875	1732	1739	1738	1500	1371	1327	-7092	-84,2
Poultry of all kinds	24610	1237	20384	20076	21407	22063	21333	20997		
	4	22	0	1	1	6	6	4	-36131	-14,7

Such a reduction in the number of livestock is due to a dramatic change in the structure of raising livestock and poultry. If, before the collapse of the Soviet Union, the main number of livestock was concentrated in large agricultural enterprises, now more than 50% of the total number of cattle, pigs and poultry is kept in households that are unable to provide the raw material for the meat processing industry.

Conclusions

On the basis of the above, one can distinguish the following reasons for the deterioration of the meat processing complex: high cost of production, and consequently, prices for products at low consumer demand; reducing the number of animals, which leads to a reducing the supply of domestic raw materials to processors; low quality of raw materials for the meat processing industry due to the inability to control the cultivation of cattle in households; lack of a balanced logistical system, stability and state support to farmers; unpredictable price policy; undeveloped export potential, and, consequently, lack of sales markets, etc.

Assessing the prospects for the development of the meat processing industry, one can confidently speak about the increase in the production of poultry meat and products produced from it in the future. The main reason is the profitability of the industry and high export potential. The industrial production of poultry meat meets the requirements of the EU and the CU technical regulations, which allows it to increase its exports, while low production costs provide moderate prices for finished products. Pork production also has positive development trends. Although its profitability is lower than that of poultry meat, producers still increase production volumes every year.

However, it is impossible to say about the production of beef. The number of cattle each year is reduced, as the result is reduced beef production. In addition, beef belongs to expensive types of meat, the price of which is constantly increasing, which is extremely negative factor in the presence of low purchasing power of consumers. The industry needs state support and subsidies, which, unfortunately, are decreasing each year. In addition, to increase the efficiency of livestock farms and to renew the outdated technological equipment investments must be made. At the same time, a long period of payback (7-8 years for cattle, 4-5 years for pig and poultry farming) negatively affects the possibility of investing.

All of the above factors in the future can lead to further reduction of the number of cattle and a decrease in the supply of domestic raw materials for the meat processing industry.

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