УДК 338.43(477)

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THE EXPORT POTENTIAL OF THE AGRARIAN SECTOR OF UKRAINE IN A COMPETITIVE ENVIRONMENT

Abstract. The purpose of the paper is to investigate the level of competitiveness of agricultural and food products and to identify the possible areas of export development on the basis of scientific works and the existing system of national strategy of the agricultural sector development. The concept of «export potential of the agricultural sector" and its relation to the competitiveness of agricultural enterprises was revealed. The dynamics and the geography of Ukrainian export of agro-food products was investigated. The data of the State Statistics Committee of Ukraine for 2005—2016, Internet resources, and own observations served as the basis for the research. For the purposes of the research such groups of the most important product types were selected: cereals, namely: winter wheat, winter barley, corn; vegetable oil (sunflower, rapeseed, soybean), strawberry, sunflower and soya, etc., and as well as those that at the present stage are advocated and, thus, may significantly raise export potential in the long term (meat, poultry, dairy products, etc.). Change in the orientation of agro-export is associated with several factors: firstly, difficult political relationships with the Russian Federation resulted in a significant reduction in the volumes of exports to this country; secondly, the increase in exports to EU countries in connection to the signing of association agreement with the EU; thirdly, the continued growth of exports to the countries of Asia and Africa.It is the «competitiveness» that identifies the opportunities for the products supply on external markets, and this is a potential set of types of agro-food products, which domestic agricultural enterprises are able to export, that identifies the potential of the agricultural sector. Ukrainian producers have the advantage over the competitors in terms of the quality and products prices which is confirmed by the fact that domestic products are exported to more than 90 countries of the world. The use of the model of potential growth of export potential of the Ukrainian agro-products will able to fully provide growers with information about potential markets for products, to ensure the proper support for the promotion of products on foreign markets.

Keywords: agriculture, food products, competition, competitiveness, export potential, geographic diversification.

GEL Classification: Q13

Formulas: 0; fig.: 1; table: 3; bibl.: 19.

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ЕКСПОРТНИЙ ПОТЕНЦІАЛ АГРАРНОГО СЕКТОРУ УКРАЇНИ В УМОВАХ КОНКУРЕНТНОГО СЕРЕДОВИЩА

Анотація. Ціллю дослідження є дослідження на базі наукових доробків і чинної системи вітчизняної стратегії розвитку аграрного сектору економіки рівень розвитку конкурентоспроможності вітчизняної аграрної та продовольчої продукції і визначення можливих напрямів експортного розвитку. Розкрито поняття «експортний потенціал аграрного сектору» і його взаємозв’язок з «конкурентоспроможністю сільськогосподарських підприємств». Досліджено динаміку і географію експорту агропродовольчої продукції в Україні. Основою дослідження слугували дані Державного комітету статистики України за 2005—2016 роки, дані Інтернет-ресурсів і власні спостереження авторів. Для цілей роботи відібрано групи найбільш значущих видів продукції [озима пшениця, озимий ячмінь, кукурудза; рослинна олія (соняшникова, ріпакова, соєва), полуниця, насіння соняшнику та боби сої тощо] і тих, які на сучасному етапі виступають бюджетоформувальними та таких, що можуть суттєво наростити експортний потенціал у перспективі (м’ясо, птиця, молочні продукти тощо). Зміна орієнтирів експорту агропродовольчої продукції пов’язана з декількома основними чинниками: по-перше, важкі політичні стосунки з Російською Федерацією призвели до суттєвого скорочення обсягів продукції в цю країну; по-друге, збільшення експорту до країн ЄС у зв’язку з укладенням Угоди про асоціацію з ЄС; по-третє, подальше зростання експорту в країни Азії та Африки. Саме «конкурентоспроможність» визначає можливості постачання продуктів на зовнішні ринки і включає потенційний набір типів агропродовольчих товарів, які вітчизняні сільськогосподарські підприємства можуть експортувати, що визначає потенціал аграрного сектору. Українські виробники мають перевагу перед конкурентами щодо якості та цін виробів, що підтверджується тим фактом, що вітчизняна продукція експортується в більш ніж 90 країн світу. Використання запропонованої моделі потенційного зростання експортного потенціалу української агропродовольчої продукції дасть можливість повністю забезпечити аграріїв інформацією щодо можливих ринків збуту продукції, забезпечити належну підтримку при просуванні продукції на зарубіжні ринки.

Ключові слова: сільське господарство, продовольчі товари, конкуренція, конкурентоспроможність, експортний потенціал, географічна диверсифікація.

Формул: 0; рис.: 1; табл.: 3; бібл.: 19.

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ЭКСПОРТНЫЙ ПОТЕНЦИАЛ АГРАРНОГО СЕКТОРА УКРАИНЫ В УСЛОВИЯХ КОНКУРЕНТНОЙ СРЕДЫ

Аннотация. Раскрыто понятие «экспортный потенциал аграрного сектора» и его взаимосвязь с «конкурентоспособностью сельскохозяйственных предприятий». Исследованы динамика и география экспорта агропродовольственной продукции в Украине. Использование предложенной модели потенциального роста экспортного потенциала украинской агропродовольственной продукции позволит полностью обеспечить аграриев информацией о возможных рынков сбыта продукции, обеспечить надлежащую поддержку при продвижении продукции на зарубежные рынки.

Ключевые слова: сельское хозяйство, продовольствие, конкуренция, конкурентоспособность, экспортный потенциал, географическая диверсификация

Формул: 0; рис.: 1; табл.: 3; библ.: 19.

Introduction. In recent years agriculture serves as a driving force for the development of the national economy. Agricultural products accounted for 42% of export revenues, which was the highest indicator in 2016. However, problems related to the functioning of the WTO and the chosen strategy of Ukraine's integration into the EU, put on the agenda the need for the diversification of a range of agricultural products and of the exports' geography and of agriculture restructuring according to the conditions and the needs of the environment.

Historically, Ukraine is associated with the notion of «European breadbasket». This statement is relevant even today, since domestic agricultural producers are exporting the lion's share of food produced in Ukraine to the EU.

Population growth of specific countries (China, India, of Africa) creates the problem of food security, which stimulates the growth of agrarian production and provides stable markets for products.

Until recently, the Russian Federation was one of the largest trading partners of Ukraine, however, due to complicated political relations, economic sanctions on export and import of different commodity groups, including foodstuffs, the agrarians were forced to look for other channels of distribution of the manufactured products.

At the same time, entering of Ukrainian into the WTO changed the conditions of export of the products to the markets of the participating countries. The complication of the «rules of the game» forces domestic producers of agrarian products to diversify geography and markets.

The gradual transition to the establishment of the common market with the EU enables the expansion of agriculture production and the inflow of foreign currency into the Ukrainian market.

In the face of changing economic priorities and the formation of the new economy, agricultural enterprises will be not only the source of budget formation, but will also contribute to the influx of foreign exchange earnings into the country. This identifies the need for an additional study.

Analysis of Publications and the Research Purpose. Domestic researchers pay much attention to the problems of the competitiveness of national agricultural products and food. The cohort of scientists-economists, who developed the abovementioned issues, includes such authors as: S. Kvasha and O. Luka [3], Malik and O. Nuzhna[2], V. Nitsenko, V. Gavrish [18], O. Zakharchenko, M. Zaiets[9, 10], etc. As for the problems related to exports, it is necessary to pay attention to the researches conducted both by previous authors, and by O. Luka [6], Trofimtseva[17] and of some other scholars. Other papers are related to the definition of competitive advantage of domestic food products, deficiencies in the development of the strategy of developing the export potential of the agrarian sector, the growth of the role of vertically integrated agrarian enterprises in agriculture, new opportunities for diversification of export geography and markets for products produced.

The purposeof the paper is to investigate the level of competitiveness of agricultural and food products and to identify the possible areas of export development on the basis of scientific works and the existing system of national strategy of the agricultural sector development.

Research Findings. Export potential is the potential capacity and the ability of a country to export existing products and to build new export of products, resources and services [1]. Accordingly, the export potential of the agricultural sector is a potential set of types of agro-food products, which domestic agricultural enterprises are able to export.

The term «export potential» is closely correlated with the concept of «competitiveness». It is «competitiveness» which identifies opportunities for the supply of products on the external markets.

In connection with this M. Malik and O.Nuzhna define the competitiveness of the agricultural enterprises as the ability of subjects of economic activities in the agricultural sphere to adapt to the new conditions, to manage the use of their competitive advantages and to win in the competition in the markets of agricultural products and services, to maximize the efficient use of land resources, as much as possible, to meet the needs of the buyer by analyzing the structure of the market and to respond flexibly to the changing conditions [2].

Ukrainian producers have competitive advantages over foreign manufacturers in terms of prices for some types of products (honey, vegetable oil, oilseeds, cereals, etc.) and of product quality.

According to S. Kvasha, the competitiveness of domestic food products has primarily price character which is caused by the relatively low costs of their production [3]. This thesis is supported by the fact that agricultural products are exported to more than 90 countries of the world, and the level of food safety in the country equals to 82.5%.

Studies have shown positive changes in the export of domestic agriculture food products (table 1). The most popular groups of goods in 2005-2016 are grain crops (16.7% of total exports), fats and oils of animal or vegetable origin (10.9%), seeds and fruits of oil plants (4.22%), meat and edible offal (1.1% of total exports). Ukraine exports increased more than twice, in the next sectors: meat and edible offal (2.5 times), vegetables (3.9 times), cereals (4.4 times), flour-grinding industry (4.8 times), seeds and fruits of oil plants (11.4 times), fats and oils of animal or vegetable origin (6.8 times), sugar and confectionery products with sugar (3.2 times). For the period analyzed exports of milk and dairy products, poultry eggs, natural honey decreased (by 40.3%).

Table 1

Dynamics of export of agro-food products in Ukraine

Type of product	2005		2010		2015		2016	
	Million of dollars	structure, %	Million of dollars	structure, %	Million of dollars	structure, %	Million of dollars	structure, %
I. Live animals; animal products	732.1	2.14	771.4	1.50	823.6	2.16	775.0	2.13
meat and edible offal	154.3	0.45	90.1	0.18	377.6	0.99	387.8	1.07
milk and dairy products, birds eggs; natural honey	553.6	1.62	648.9	1.26	386.6	1.01	330.5	0.91
II. Herbal products	1694.9	4.95	3976.1	7.73	7971.5	20.91	8093.7	22.26
vegetables	39.2	0.11	119.1	0.23	97.1	0.25	152.6	0.42
edible fruit and nuts	102.3	0.30	208.8	0.41	154.0	0.40	148.2	0.41
grain crops	1383.0	4.04	2467.2	4.80	6057.7	15.89	6073.9	16.70
products of the milling industry	28.9	0.08	80.9	0.16	118.0	0.31	138.7	0.38
seeds and fruits of oil plants	135.3	0.40	1085.9	2.11	1475.4	3.87	1535.0	4.22
III. Fats and oils of animal or vegetable origin	587.1	1.72	2617.4	5.09	3299.9	8.65	3963.0	10.90
IV. Prepared foods	1290.8	3.77	2571.1	5.00	2468.6	6.47	2450.1	6.74
sugar and sugar confectionery	110.2	0.32	206.4	0.40	169.6	0.44	352.0	0.97
finished products of grain	97.9	0.29	254.3	0.49	268.0	0.70	212.5	0.58
products of vegetables processing	119.0	0.35	210.3	0.41	183.7	0.48	140.3	0.39
Total export	34228.4	100.0	51405.2	100.0	38127.1	100.0	36361.7	100.0

Source: State Statistics Service of Ukraine (2017)

Oil and sunflower crops brought the largest share of foreign currency revenues of Ukrainian exporters (table. 2).

Table 2

Export of sunflower oil and crops in 2016.*

Type of product	The largest exporting companies	The largest importing countries	The volume of sales, mln t	Revenue, billion	The rating of the country's exports in the world
Sunflower oil	Kernel, MyronivskyHliboproduct, Cargill Ukraine, ViOil, Bunge Ukraine, Delta Wilmar CIS, Pology oil extraction plant, Dneproavia, Bessarabia, Creative Group	India, China, the Netherlands, Spain, Italy, France, Iran, Egypt and Turkey	4.8	4.2	1
Cereals (maize, wheat, barley)	SFGCU, kernel, NIBULON, JSC Cargill, UkrLandFarming, Louis Dreyfus Ukraine LTD, Granum invest, Bunge, noble resources Ukraine, ADM Ukraine	EU, Egypt, Tunisia,South Korea, Thailand, Indonesia, Israel, Iran, Libya, Bangladesh, Saudi Arabia	40.2	6.1	3

Source: constructed on the basis of public information

The increasing sales of products, especially of grain group, did not give the opportunity to increase the amount of foreign currency revenues. Prices in 2016 were twice lower compared with 2013. Negative market conditions did not allow agrarians to accumulate additional 6 billion USD of foreign exchange earnings.

Another interesting pattern has been observed in the global economy. In the long run, prices for raw materials, relative to the prices of services and labour, are decreasing. So the country that sells raw materials always loses to the country which produces finished products with higher added value [5].

Given the fact that the structure of foreign trade of agriculture products in Ukraine is not optimal, an important task is the diversification of the commodity structure of exports and imports, as well as increasing the exports of products in accordance with the comparative advantages of the country [6].

The legislative framework, which regulates policies in agriculture, consists of the following important documents: the Law of Ukraine «On the Priority of Social Development of Village and Agriculture in the National Economy", the Law of Ukraine "On State support of Agriculture of Ukraine", law of Ukraine «On Basic Principles of the State of Agricultural Policy for the Period until 2015», etc.

State agrarian policy is based on national priorities and takes into account the need for Ukraine's integration into the European Union and the world economic space [7].

The Ministry of Agrarian Policy and Food of Ukraine has developed a draft of joint integrated Strategy for Agricultural and Rural Development for 2015-2020 [8], the purpose of which is to increase the competitiveness of agriculture and to promote the development of rural areas on a stable basis in accordance with the EU and international standards. The strategy involves achieving seven specific goals: the harmonization of the legislation with the EU one, in particular in the field of food safety; deregulation with the abolition of unnecessary regulations and administrative policies, reform of State enterprises; the solution of major problems of the factors of production, including land reform, access to funding, modernization and upgrading of production and processing facilities, as well as, of the problems of infrastructure and logistics; stimulating innovation in agriculture; increasing transparency and efficiency of the production and management of markets; increasing the efficiency of the State support of agriculture; the development of the program for the development of rural areas, including measures to support small farming and to increase the quality of life in rural areas; as well as the development of a regulatory framework for the support of the agriculture and environment-friendly production methods.

Ukraine's membership in the WTO opens significant opportunities for Ukrainian producers that will enable Ukraine to better access the world markets, to expand consumer range and to easier access foreign technologies. At the level of the domestic market the competition will increase significantly, as new international players will enter Ukraine. So the priority should be ensuring the competitiveness of Ukrainian agrarian sector both inside our country and on the world arena [9].

The signing of the association agreement with the EU by Ukraine, on June 27, 2014 makes European markets more accessible for Ukrainian producers, including those of agriculture. However, the issue of competition between domestic and foreign producers on foreign markets for agricultural products and food products not only does not lose its relevance, but also greatly increases its degree. On the other hand, competition in the agricultural market increases alongside with the development of market relations, which impose higher requirements to the economic behavior of enterprises [10].

It is expected that the real decline, coupled with reforms aimed at the creation of equal conditions for the private sector, increased competition and access to the European Union market, foresees the support of export and trade sectors [11].

Among the two types of trade policy — the policy of free trade and protectionism—the ideals of free trade are preferential. However, in practice, especially while regulating foreign trade in agricultural products, protectionist measures are often applied. They include a variety of tools of tariff and non-tariff regulations of import, export subsidies and internal support of domestic agriculture by developed countries. Significant differences in the proportions and scale of application of the various instruments regulating foreign trade in agriculture depends, first of all, on the State, on the competitiveness of the agricultural sector and on the criteria of economic security of the State [6].

The EU market for Ukrainian agricultural producers is opened in different segments. However, one should take into account such obstacles as export quotas for the supply of different product types, necessary compliance with international quality standards, etc. In order to diversify the promotion of products one should take into account the growing markets of Asia, which hare more open compared to the EU ones. 96.2% of total exports is directed to the EU, Asia, Africa and the CIS (Table 3). At the same time, exports to CIS dropped more than by 20% in 2016 compared to 2015.

Table 3

Geography of exports of agricultural products from Ukraine in 2016

Region	The largest importing countries	Revenue, billion	Structure, %	Type of product
EU	Spain, Netherlands, Poland, Italy, Germany, France, Belgium, UK, Portugal, Romania, Hungary and Greece	4.2	27.1	grain cereals (corn, wheat, etc); oil (sunflower, soybean, rapeseed); oilcake and other solid residues; oilseeds (soybeans, rape seed or sunflower, crops); nuts; poultry meat; tomatoes, canned without vinegar; made of grain and cereals (pasta, bakery, confectionery); a variety of other foods (yeast, prepared sauces and foods for their preparation, etc.); the eggs of birds; chocolate and products containing cocoa; pastry with sugar; processed in other ways grain crops; seeds and fruits for sowing, etc.
Asia	China, India, Japan, South Korea, Turkey, Iran, Iraq, Indonesia, Thailand, Bangladesh, Israel and Lebanon	7.1	45.8	grain cereals (corn, wheat, barley); oil (sunflower, soybean, rapeseed); oilseeds (soybeans, rapeseed); residues and wastes of food industry; meat, poultry and eggs; tobacco and products made of it; nuts; wheat flour; dried leguminous vegetables etc.
Africa	Egypt, Morocco, Tunisia, Ethiopia, Algeria and South Africa	2.4	15.5	cereals (corn, wheat, barley); sunflower oil; tobacco and substitutes, cigarettes; residues and wastes of food industry; soybeans; poultry meat; condensed milk; live cattle, etc.
CIS	Belarus, Armenia, Russia, Moldova	1.2	7.8	cereals, dairy products, nuts, vegetables, canned goods.

Source: constructed on the basis of public information

The EU is the World's largest exporter of wheat and poultry meat. Thus, the EU is Ukraine's competitor in the export of food products. USA is a competitor of Ukraine in the export of corn and meat. World market is tough, and nobody likes competitors [12]. Besides, Russia is a major supplier of grain and sunflower oil, Belarus — of dairy products. In Ukraine, non-profit organizations, such as: Ukrainian Food Export Board (UFEB), Ukroilprod Association, Ukrsugar Association, Ukrainian Grain Association (UGA), etc., are created and operated in order to support the promotion of agricultural products' export.

So, for example UFEB (Ukrainian Food Export Board) is the Association of producers of finished food, which is helping domestic food enterprises to reach new markets and to fix their positions on the traditional ones. The goal of UFEB is to create a positive image for the food labeled "Made in Ukraine" in the eyes of consumers throughout the World.

In the framework of its activities, UFEB provides its members with analytical and advisory assistance with regard of the conditions and possibilities for exports [13].

In 2017, the UFEB continued to work towards the opening of markets of the EU and China for beef from Ukraine, of South Africa — for pork, of Japan and South Korea — for dairy products. The trade mission to the countries of Asia and Africa, in particular to Vietnam, China, Egypt, Algeria, Sudan, Tanzania, Namibia, Ghana and others, are planned in order to release Ukrainian products into foreign markets. Besides, the participation of domestic producers in 14 international exhibitions is foreseen [14].

International financial organizations play an important role in ensuring and improving the competitiveness of the domesticagrarian sector. Among them, it is possible to mention IBRD, including IFC, EBRD, EIB, etc.

In 2015 the EBRD invested 184 million dollars into the agricultural sector, while in 2017 it plans to increase the sum up to 200 million dollars. The main priorities are to invest into the cultivation of grain, technical, and other crops, that are export-oriented products. The large public companies are the main recipients of the capital (e.g. Nibulon, Mironivskiyhliboproduct or Kernel), as well as small and medium enterprises that have export potential [15; 16].

According to the latest data, IFC conducts investment within the agricultural sector and to the processing companies. Among the enterprises-recipients Concern Khlibprom, Mriya, IMC Ukraine, Astarta, MHP, Agrofusion Group, Globino group, NyvaPereyaslavschyny could be pointed out. As you can see, the IFC's strategy is more diverse in respect of investments directions as compared to EBRD. The company invests in both primary productions, in particular that of grain, milk, sugar beets, tomatoes, pig production, poultry, etc., and into their processing.

The credit funds are received at interest rates which are much lower than domestic ones (2-2.5 times and above). This makes them appealing for the domestic producers. The loans are used to modernize the material and technical base, to expand the company's presence at the market, to build new production facilities, to improve logistics processes, to increase energy efficiency and export potential, etc.

O. Trofimtseva, Deputy Minister of Agrarian Policy and Food of Ukraine on European Integration, sees four main goals in the area of the formation of agricultural trade policy and of the promotion of exports in the near future:

- diversification of the commodity structure of agrarian exports by increasing the share of value added products (i.e., of processed foods);
- diversification of geographical export markets for Ukrainian agrarian products by opening new countries and expanding the range of goods that are already being supplied to those or other countries;
- expansion of the circle of exporters of agrarian and food products via the inclusion of a large number of small and medium-sized producers and processors who are able to export;
- increase in the competitiveness of Ukrainian producers and processors for their entry into the foreign markets [17].

In this regard, the suggestions and arguments of V. Nitsenko and V. Havrysha are appropriate [18] regarding the construction and benefits of vertical integration in agriculture.

What is the advantage of these structures in comparison with other types of agro-industry formations? Firstly, these structures have their own raw material base and can also buy it from agricultural commodity producers, while processing enterprises do not have a raw material base and are completely dependent on external suppliers or intermediaries. As for agrarian enterprises, there are difficulties with the sale of manufactured products (raw materials for other branches of agroindustrial complex) because of the monopolization of the market by intermediary structures that are not interested in equal cooperation.

Secondly, the tax base for agrarian enterprises is agricultural land (fixed agricultural tax), for processing enterprises it is general tax system. As the tax pressure increases, the efficiency of production decreases. Vertically integrated companies can optimize the level of taxes by transferring part of them to one type of activities.

Thirdly, no enterprise, whose authorized capital consists of a certain number of shares traded on stock exchanges and out of stock exchanges, can be confident that, at some point in time, it will not be bought up by competitors, which are expanding their scope of activities and are diversifying them [18].

The Ministry of Economic Development and Trade began work on the creation of National Export Strategy and Action plan for the next 5 years. It is reported that Western NIS Enterprise Fund (WNISEF) in the framework of the program «Ukraine: leadership program, export promotion, investment and development» (ULEAD) [19] will help to develop the Strategy. In this strategy it is expedient to foresee the support for the diversified development of agrarian enterprises, possible new markets for value added products, the formation and development of export cooperation of small and medium-sized enterprises in the agro-food sector, the improvement of infrastructure and logistics of the market of agrarian products and foodstuffs, etc.

The formation of the export strategy of the domestic agroindustrial complex (fig 1.) should take into account the terms of participation in the WTO and the Association Agreement with the EU. The involvement of specialized non-profit organizations and associations into the development of the export strategy will allow to formulate proposals for certain types or groups of products in more detail (sunflower oil – Ukroilprod, sugar – Ukrsugar, grain group – UGA, etc.).

An improved model of the export potential of Ukrainian agri-food products is shown in the figure.

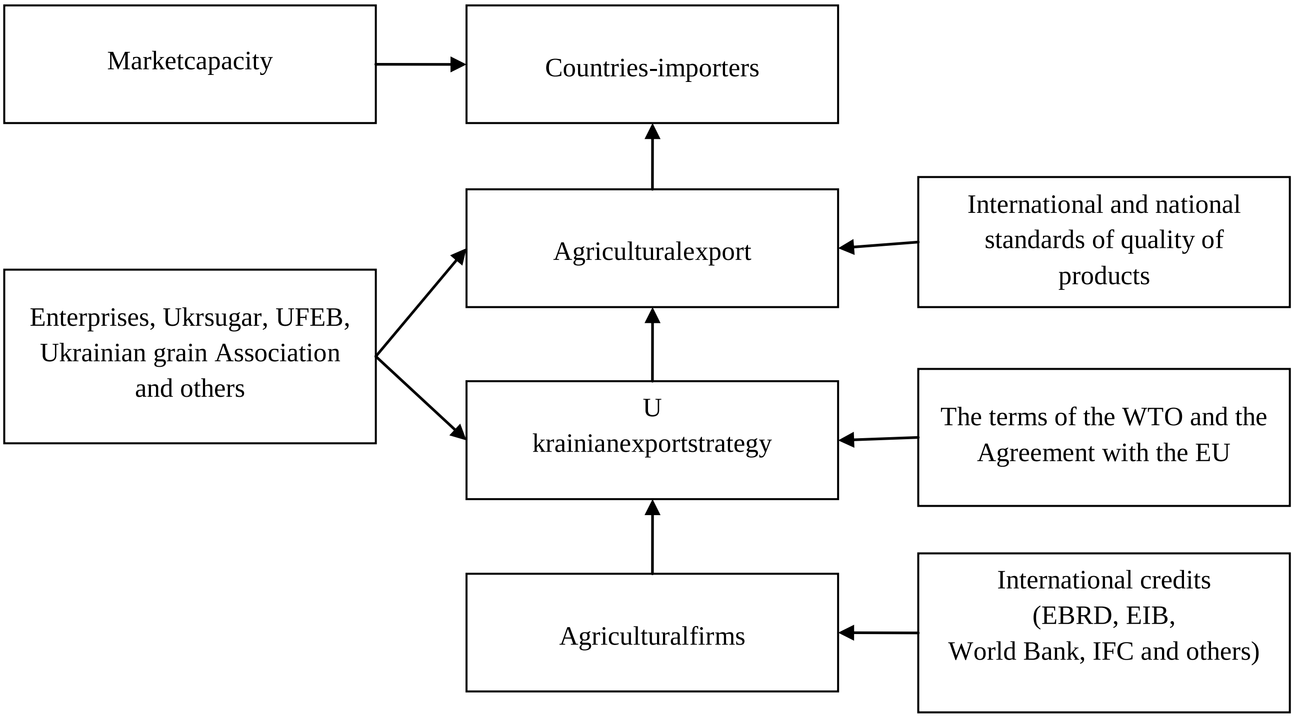

Fig 1. The export potential of Ukrainian agricultural products

As the EU countries impose quotas of the supply of agricultural products from the territory of Ukraine, under such conditions it is expedient to search for or to expand exports to countries of Asia and Africa.

Conclusions. According to the results of the research, the following conclusions can be drawn:

- The concept of «export potential» has a close relationship with the notion of «competitiveness». The first determines the types of products which are produced inside the country in excess and can be potentially exported. The second term shows the correspondence of potential export-oriented products to the criteria which are put forward by the host countries. Thus, the growth of sales' volumes is possible provided that the volumes of production are increasing in accordance with the European and individual requirements of the countries which are importing such products.
- Products of Ukrainian producers are competitive on separate segments of the agro-food market. The main advantage is high quality at a reasonable price. Export-oriented types of products include crop and processing products such as grain crops (wheat, barley, corn), oilseeds, sunflower oil, sugar, nuts, fresh and canned vegetables, etc.; livestock and processing products — eggs of chicken and products of their processing, chicken meat, honey, etc.
- In terms of sales' volumes, Ukraine took the dominant position in the World in 2016, namely: 1st place — with respect to vegetable oil and 3rd place — with respect to grain crops,

which testifies the internal capacity to increase sales due to increased crop yields.

- Positive changes in sales' volumes were accompanied by a negative influence of prices on it. According to our calculations, Ukrainian farmers have lost more than USD 6 bn in grain due to unfavorable price conditions (during 2013-2016). Accordingly, an increase in sales' volumes with simultaneously reducing prices did not improve the financial condition of the agrarians.
- Major competitors of our country in the most important segments are powerful exporting countries: at the grain market — the USA, the EU, Russia, Canada, Australia, at the market for sunflower oil — Russia, for dairy products — Belarus.
- The deterioration of economic relations with Russia has led to a significant reduction in exports of agricultural products to this country. Taking into account the indicated tendencies, Ukrainian farmers began to diversify the markets for their products. Therefore, the CIS countries accounted only for 7.8% of Ukrainian exports. The share of imports from Ukraine to Asia was 45.8% in 2016 (USD 7.1 bn), to the EU — 27.1% (USD 4.2 bn), to African countries — 15.5% (USD 2.4 bn). The markets for dairy products, meat and meat products, including chicken, soybean oil, nuts and edible fruits, canned goods, etc are also developing.
- The promotion of Ukrainian products to existing and potential markets also takes place supported by nonprofit professional organizations and associations, such as: the Ukrainian Food Export Board, Ukroilprod, Ukrsugar, Ukrainian Grain Association. They provide information support to producers and sign cooperation agreements with foreign countries regarding the supply of various types of agricultural products.
- The international financial organizations, namely EBRD, IFC, etc., investing into the development of infrastructure and logistics of companies, into the increase of energy efficiency of production processes, the increase of volumes of production, their processing, make a significant contribution to the competitiveness of agrarian and food sector enterprises.
- The growth of export volumes is stimulated by the government of our country. The Laws of Ukraine «On the Priority of the Social Development of the Village and the Agro-Industrial Complex in the National Economy», «On State Support of Agriculture in Ukraine», «On the Basic Principles of the State Agrarian Policy for the Period until 2015» have been developed and adopted, the draft Strategy for Agriculture and Rural Development 2015-2020, an Association Agreement with the EU was concluded, the creation of the national export strategy «Ukraine: Leadership Program, Export Promotion, Investment Attraction and Development», was launched. However, these documents are not implemented in the full sense, but are declarative in nature. Thus, farmers must rely only on their own efforts without waiting for government assistance.
- We have suggested a scheme for export potential of Ukrainian agri-food products. The introduction of this approach will provide manufacturers with complete and reliable information on the condition and needs of foreign markets, the necessary financial resources for operating activities, the needs of foreign markets in high quality products at moderate prices. Taking into account the peculiarities of international markets (quotas, compliance with quality standards, market capacity) is a necessary prerequisite for the development of an export strategy at the level of government and of every business entity.

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Стаття рекомендована до друку 03.09.2018

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The article is recommended for printing 03.09.2018