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**Report Highlights:**

In 2023, Ukraine's cattle inventory and beef production remained on a three-decade-long downward trend. The decrease in consumer numbers and comparatively high beef prices resulted in a domestic consumption drop and increased exports of both live cattle for slaughter and beef. Production and consumption are expected to decrease further in 2024. The swine inventory is expected to be stable in 2024. The swine herd is expected to remain stable in 2024. A surge in EU pork prices in 2023 led to lower imports from the EU and incentivized domestic production. As a result, the swine herd did not decline in 2023 as much as previously expected. Pork production is expected to grow insignificantly in 2024. A possible pork price decline may lead to slight import growth, but no return to massive imports is expected in 2024 due to stable domestic production and consumption. Ukraine remains an African Swine Fever-affected country, with most export markets closed.

## **Executive Summary:**

Russia's full-scale invasion of Ukraine, which started on February 24<sup>th</sup>, 2022, remains the primary factor impacting livestock and swine production and trade. The war resulted in a major refugee crisis, leading to the total consumer base dropping by almost a quarter of the pre-war population by mid-2023. Population outflow stabilized in late 2023. Ten percent of the remaining population was internally displaced, and most Ukrainians suffered from a significant decline in income.

Most Ukrainian cattle are dairy or dual-purpose animals, and the dairy business remains a major force impacting beef production and exports. After a significant drop in animal inventory and beef production in 2022, the industry continued its downward trend in 2023. However, the share of cows in efficient industrial farms increased from 38 to 41 percent, and most of the decline was attributed to households. Increase dairy enterprise efficiency contributed to stabilization of the cow inventory. As the domestic consumption of dairy products stabilized in 2023, the animal inventory decrease slowed down. The trend for animal inventory stabilization is expected to continue in 2024, but the number of cattle will still be declining. Exports of both live cattle and beef are expected to be strong, but animal exports will be smaller than in 2023 due to a lower inventory.

The pork production drop in 2022 was smaller than expected, based on released official numbers. The major pork price surge in the EU observed in 2023 was reflected in Ukraine stabilizing animal inventory in the second half of the year. 2023 pork production was just slightly below the 2022 level. However, this pork price surge led to a significant domestic consumption drop as the poorer population switched to cheaper poultry. Observing a decline in demand, the Ukrainian swine industry stopped investments in new animal inventory in early 2024. The number of pigs is expected to be stable in 2024, despite somewhat lower pork prices. 2024 pork production is expected to be a bit higher, with animal inventory being stable till the end of 2024. Ukrainian imports of pork dropped drastically in 2023 due to over 50 percent import price growth. The EU's pork market remains the primary source of pork imports due to geographic proximity and the EU's pork transit restrictions limiting imports to EU-approved facilities. Ukraine is an African Swine Fever (ASF) impacted country. The disease severely restricts its export abilities. The number of registered ASF cases in 2023 grew quite notably, but ASF is not expected to impact industrial production much.

This report's 2022 production supply and distribution (PSD) animal inventory and meat production numbers were updated to reflect the official production number produced by the State Statistics Service of Ukraine (SSSU), which has resumed limited publication of production data. All 2023-24 numbers in this report are FAS estimates and industry-sourced data. Crimean animal inventory and meat production numbers are added to all PSD tables.

## Cattle

**Table 1. Ukraine Animal Numbers, Cattle, Thousand Head\***

Animal Numbers, Cattle Market Year Begins Ukraine	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stocks	2742	2742	2404	2403	2163	2330
Dairy Cows Beg. Stocks	1591	1591	1387	1400	1300	1339
Beef Cows Beg. Stocks	20	20	18	18	16	17
Production (Calf Crop)	1470	1459	1280	1287	1200	1230
Total Imports	2	2	2	2	2	2
Total Supply	4214	4203	3686	3692	3365	3562
Total Exports	66	66	80	79	70	60
Cow Slaughter	0	0	0	0	0	0
Calf Slaughter	0	0	0	0	0	0
Other Slaughter	1658	1649	1408	1249	1262	1210
Total Slaughter	1658	1649	1408	1249	1262	1210
Loss and Residual	86	85	35	34	33	32
Ending Inventories	2404	2403	2163	2330	2000	2260
Total Distribution	4214	4203	3686	3692	3365	3562

\*Not Official USDA Data

This table includes indicators for Crimea.

### Production

Being a function of Ukraine's dairy production, Ukrainian cattle operations suffered significant direct and indirect losses from Russia's aggression that started in February 2022. The cattle population consists predominately of dairy and dual-purpose animals and is mainly concentrated in rural households. In 2022, a lot of cow owners slaughtered their animals because of fleeing the country, moving away from the war zone, or due to the loss of the milk sale chain. The dairy industry appeared to be vulnerable to war impacts due to its dependence on stable cash flow from milk sales. Closures or breaks in operations by many dairy processors resulted in mass short-term animal slaughter.

**Figure 1. Cattle Inventory Composition in 2022**



*Source: State Statistics Service of Ukraine*

After a significant bovine animal population drop in 2022, the situation somewhat stabilized in 2023. The majority of the inventory decrease took place at the expense of low-performing animals in the industrial sector and households. The share of industrial farms in the total cattle population grew from 38 in 2021 to 41 percent in 2022 and 2023. As refugee outflow leveled in mid-2023, this stabilized domestic demand for dairy products, and high milk prices resulted in smaller animal inventory decreases. This trend is expected to continue in 2024.

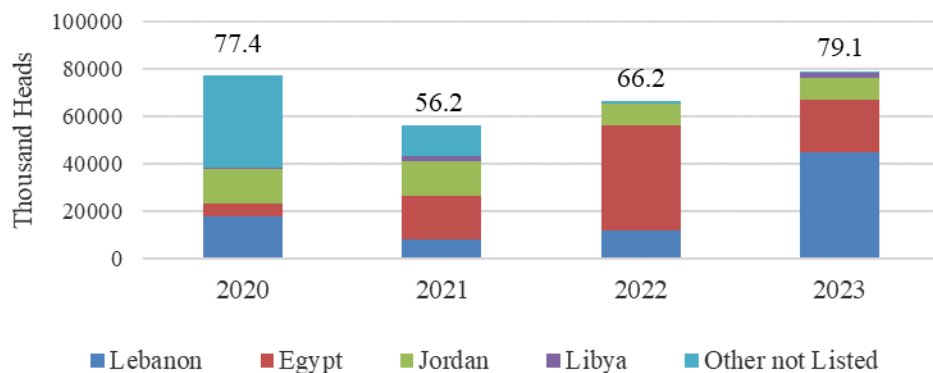
Dairy producers learned how to manage some war risks. Animal inventory in 2024 will continue to decrease, but less than expected. Ukraine rebuilt its energy generation and power grid, making it resilient to Russian missile attacks. Power outages and associated additional costs for in-house power generators were one of the major concerns for 2023. A lot of producers suffered from power outages in the 2022/23 winter and noted significant production cost increases. According to industry sources, many farms continued to work on energy backup improvements through 2023-24. The situation is not expected to change in 2024 as Ukraine continues to fortify its air defense capabilities and increase its power grid stability. No significant outages are reported as of mid-February 2024.

Low feed prices were another significant factor that helped the Ukrainian industry keep production costs low and offset some wartime losses. Ukrainian crop farmers continued having concerns about markets for their products, which coupled with higher logistics costs, resulted in lower prices in 2023. Access to export markets remained constrained, especially before the Black Sea Grain Initiative (BSGI) and also in the late days of its existence when very few ships were able to be inspected. Following Russia’s termination of the BSGI, a Ukraine-established export corridor in the Black Sea took off in October 2023. Exports from Ukraine’s Odesa region ports have resumed through this route, exceeding BSGI levels, though Russia’s attacks on Black Sea ports and Danube port infrastructure have continued.

Trade

In recent years Ukraine developed markets for live cattle for slaughter in Central Asia and North Africa. Over time, live cattle exports grew in importance, and now they are comparable to beef exports in value terms. After the war started, the trade shifted toward North Africa and the Middle East. Shipment costs to most Central Asian destinations became almost prohibitive. Stagnant domestic demand for beef led to increased supply in 2022 and 2023. Live cattle exports will continue, but such a high export rate may not be sustained in 2024 due to a drop in animal inventory.

**Figure 2. Ukraine Cattle Exports**



*Source: Trade Data Monitor*

The majority of live animals are exported via Danube River ports. In late 2022 Ukraine also negotiated live cattle transit terms with the EU, although significant transit restrictions remain in place. Ukraine may use one of the Romanian Black Sea ports, which provides an alternative in case of Russian attacks against the Danube ports’ infrastructure. Availability of the sea export route was the key factor of stable exports. Lebanon surpassed Egypt as the major export destination, predominantly due to better prices.

Ukrainian cattle is of lower weight and meat quality but is price-competitive in comparison to EU animals. Exports to traditional Central Asian markets are not expected to resume until the end of the war.

## Beef

**Table 2. Meat, Beef, and Veal 1000 MT CWE**

Meat, Beef, and Veal Market Year Begins	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Ukraine						
Slaughter (Reference) (1000 HEAD)	1658	1649	1408	1250	1262	1210
Beginning Stocks	0	0	0	0	0	0
Production	276	276	234	211	210	205
Total Imports	3	3	2	3	2	3
Total Supply	279	279	236	214	212	208
Total Exports	21	21	30	28	25	28
Human Dom. Consumption	258	258	206	186	187	180
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	258	258	206	186	187	180
Ending Stocks	0	0	0	0	0	0
Total Distribution	279	279	236	214	212	208

*\*Not Official USDA Data*

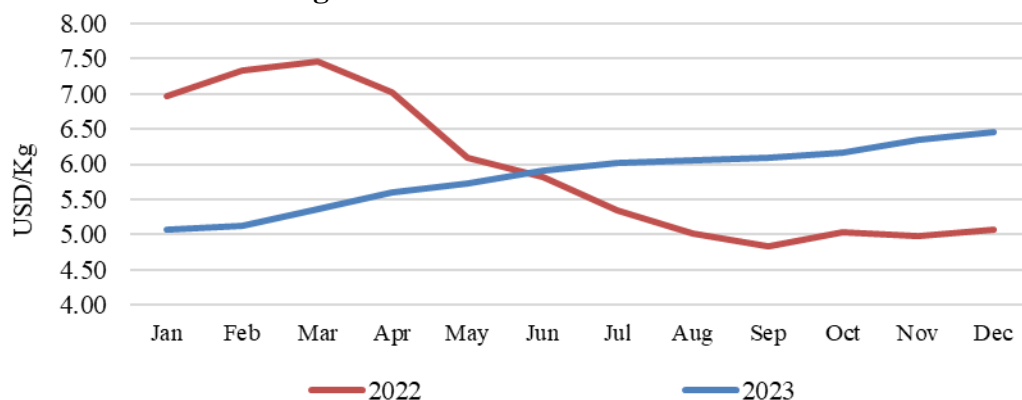
*This table includes indicators for Crimea.*

### Production

The 2022 war-related beef production spike was short-term and unsustainable. A consecutive animal inventory decrease in 2023 resulted in a production drop, which is expected to continue in 2024. Attractive 2023 milk prices also contributed to a decline in beef production as many dairy farms kept cows longer.

Most of the 2022 war-related slaughter took place in March-July. After the war started, many Ukrainians had to move to safer locations or leave the country, so they had no choice but to sell their animals for slaughter. This trend prevailed in households, but industrial dairy farms increased slaughter as well. Many of them lost milk sales due to the closures of dairy processors and had to slaughter at least some animals. In both subsectors the actors preferred to slaughter underperforming dairy animals which resulted in higher dairy enterprise profitability and a subsequent smaller inventory drop in 2023. For more information on war-related dairy production, please refer to the [2022 Dairy GAIN Report](#). Due to complicated access to export markets, additional beef supplies flooded the Ukrainian domestic market, depressing prices. The 2023 slaughter had no peaks, and it was substantially smaller. It resulted in a steady price recovery that continued into 2024.

**Figure 3. Beef Retail Price**



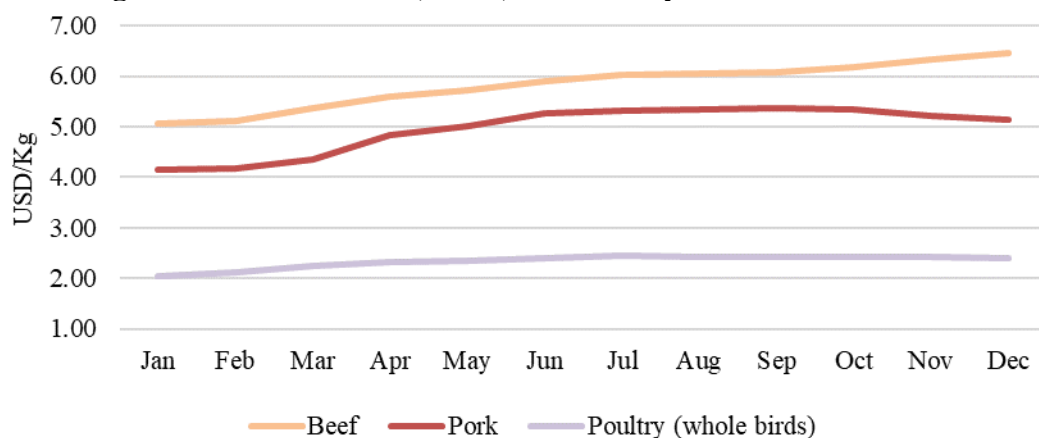
*Source: State Statistics Service of Ukraine*

Consumption

The excess supply of beef in 2022, accompanied by a significant price drop, somewhat supported domestic beef consumption. However, the impact was short-lived, and the situation reversed entirely in 2023. Beef prices climbed, depressing consumption. The availability of export markets for both beef and live cattle facilitated that price climb.

Ukrainian consumers lost a large share of their incomes due to war-related reasons. In 2022, Ukraine’s GDP decreased by 29 percent (World Bank estimate), causing a significant disposable income drop. Even with a 4.8 percent GDP recovery estimated in 2023 and a 3.2 percent recovery forecasted for 2024, this will not restore incomes to a pre-war level and will continue to keep consumption depressed. Beef also remained the most expensive protein, and the gap between beef and pork widened by early 2024 as pork prices decayed a bit.

**Figure 4. Ukraine’s Beef, Pork, and Poultry Domestic Price in 2023**

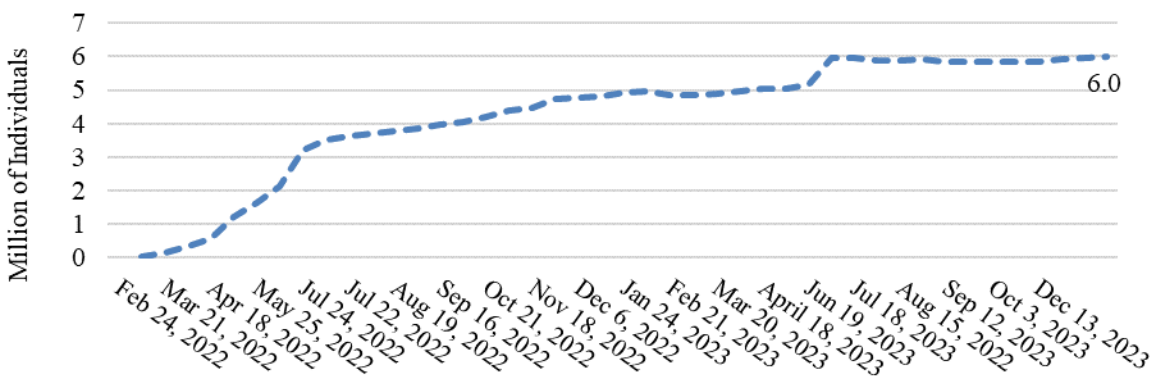


*Source: State Statistics Service of Ukraine*

There were several factors contributing to the decrease in red meat consumption in 2022, but the major one was the abrupt population decrease. The impact of population changes on consumption decreased considerably in the second half of 2023 as the outflow leveled. Ukraine’s pre-war statistics declared a population of 41.13 million, but the exact number in 2024 is unknown. According to the United Nations

Refugee Agency (UNHCR), 6.0 million people moved to Europe, and 0.4 million settled in other countries. The number of Ukrainians who live in occupied territories and those who moved or were expelled to Russia is not known. Some of those Ukrainian citizens willingly accepted or were forced to accept Russian passports and do not qualify for refugee status by international institutions. The total number of individuals who left the country is estimated to be between 9.5 and 10.5 million, which is close to 25 percent of the pre-war population.

**Figure 5. Number of Refugees from Ukraine Recorded Across Europe**

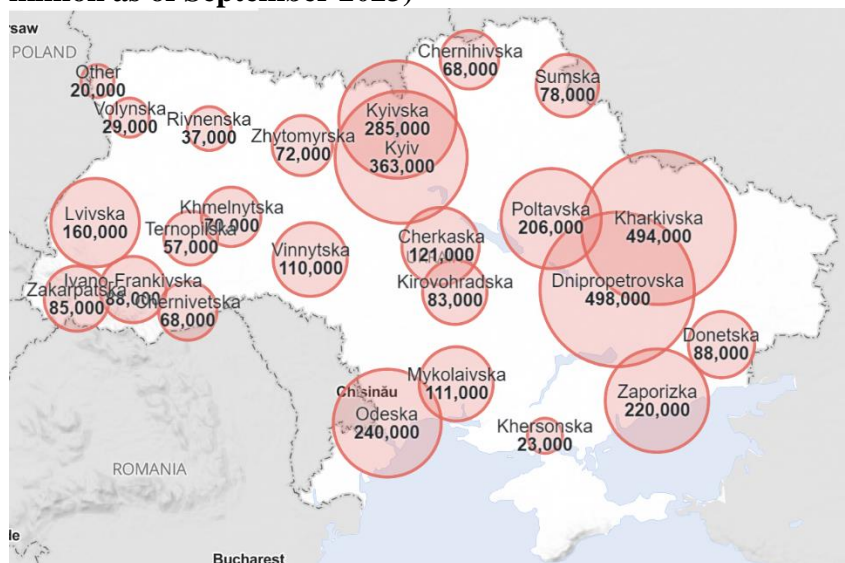


*Source:* UN Refugee Agency (<https://data.unhcr.org/>)

Many Ukrainians lost their homes in northern, eastern, and southern Ukraine. The number of internally displaced persons has reached 5.9 million as of the end of January 2023, but this number is also leveling. Most relocated people lost their jobs, their incomes dropped, and their red meat (especially expensive beef) consumption decreased as a result. Poultry consumption benefited the most from the existing situation.

A significant number of Ukrainians had to leave occupied territories or unsafe territories adjacent to the front line. Many consumers lost their jobs and relied on social assistance programs. As the diagram shows, many of those settled in eastern and southern Ukraine, not very far from the war zone, in the hope of returning to their homes at some point.

**Figure 6. Distribution of Internally Displaced Persons in Ukraine by Region (Total number is 3.67 million as of September 2023)**



**Source:** UN Refugee Agency (<https://data.unhcr.org/>)

Beef consumption is expected to drop in 2024 due to a combination of factors: low incomes, competition with export markets that are still accessible despite more expensive and cumbersome logistics, a smaller consumer base, and higher prices in comparison to other popular meats.

### Trade

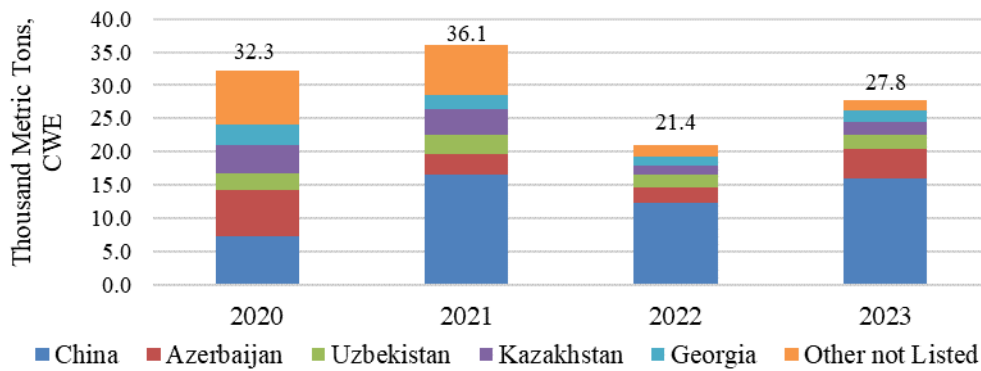
#### *Exports*

Weak domestic demand resulted in solid exports in 2023 despite technical problems with export licensing system in early January. The Government of Ukraine canceled the licensing requirements in February, resolving the problem, and trade continued uninterrupted in the remaining months of the year. Ukraine was able to negotiate transit agreements with the EU, so 2023 exports were unrestricted.

China and Former Soviet Union (FSU) countries were the leading destinations for Ukrainian beef. After the war started, Ukraine lost its market in Belarus but kept the markets in Central Asia, Georgia, and Azerbaijan despite more expensive logistics. Black Sea routes remain unavailable for products of animal origins, and all shipments must transit the EU countries. Over time the share of the Chinese market gradually increased, and it is expected to remain a key export destination in 2024.



**Figure 7. Ukraine's Beef Exports**



*Source: Trade Data Monitor*

Beef exports have continued relatively smoothly, and Ukrainian producers did not report veterinary or other trade barriers. The national currency's abrupt devaluation in 2022 provided exporters with some short-term boost. The follow-up actions by the National Bank of Ukraine, which introduced a fixed exchange rate, resulted in indirect export taxation in 2022 and the first three quarters of 2023. Now all currency restrictions are canceled. As currency stabilized in 2023, the impact of this factor on beef trade became insignificant.

#### Imports

Ukraine imports small volumes of premium-quality beef from Australia, the EU, and the United States. Due to the closure of all air and sea routes, transshipments of U.S. beef through EU territory limit imports to EU-approved establishments. The number of high-end restaurants serving U.S. beef during the war has been reduced significantly. No large imports are expected in 2024.

## Swine

**Table 3. Ukraine Animal Numbers, Swine 1000 HEAD**

Animal Numbers, Swine Market Year Begins Ukraine	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks	5718	5718	5140	5058	4900	5113
Sow Beginning Stocks	240	340	245	360	270	360
Production (Pig Crop)	7500	8013	7700	8450	8500	8500
Total Imports	2	2	6	6	6	3
Total Supply	13220	13733	12846	13514	13406	13616
Total Exports	1	1	1	0	1	0
Sow Slaughter	0	0	0	0	0	0
Other Slaughter	7075	7663	7495	7520	7855	7620
Total Slaughter	7075	7663	7495	7520	7855	7620
Loss and Residual	1004	1011	450	881	450	896
Ending Inventories	5140	5058	4900	5113	5100	5100
Total Distribution	13220	13733	12846	13514	13406	13616

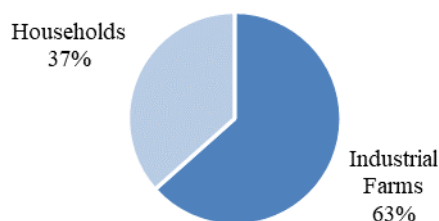
*\*Not Official USDA Data*

*This table includes indicators for Crimea.*

### Production

Before the war started, the Ukrainian swine industry also remained on a long downward trend. The sector was restructuring from household to industrial production with market exit of inefficient farms of both types. Uncertainty in the early days of the war resulted in the inability to procure inputs or sell market pigs. However, the industry avoided the massive inventory slaughter similar to the one experienced by the cattle sector. Swine producers were not as dependent on daily sales as Ukrainian dairy farmers. Some 2022 hogs were sold at higher weight, and some were shipped to war-unaffected regions for finishing. However, the swine inventory decrease accelerated in 2022.

**Figure 8. Swine Inventory  
Composition in 2023**



*Source: State Statistics Service of Ukraine*

Partially this declining trend was driven by historical trends and partially by war-related factors. A limited number of swine producers in the eastern and northern regions of Ukraine suffered from direct

war losses. Some farms were destroyed entirely. However, the majority of producers concentrated in the traditional production pockets in central and western Ukraine were not impacted directly.

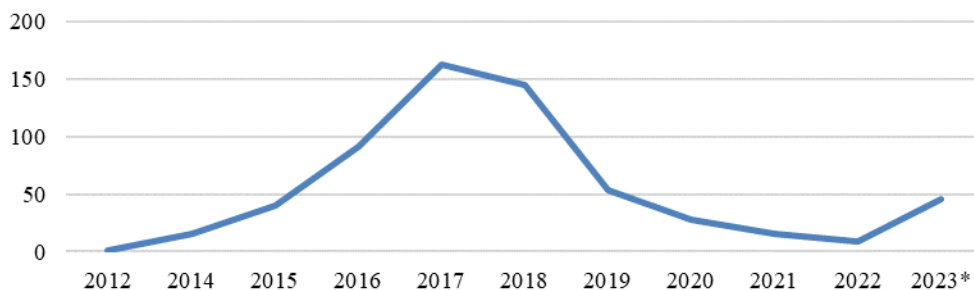
Ukraine’s State Statistics Service resumed publication of production indicators in early 2023. The 2022 decline in the number of sows was smaller than expected, and so was the decline in production and slaughter. The 2022 PSD numbers were updated to match the official statistics. Due to the pork price hike, 2023 pig production was higher than expected, with animal inventory comparable to the 2022 number. A significant pork price increase in neighboring EU countries was the main driver of Ukraine’s increased production. Significant import decreases that followed the EU’s production drop created a good opportunity that the Ukrainian pig farmers used. The majority of Ukrainian industrial pig producers are vertically integrated farrow-to-finish operations. During 2023 there was an inflow of small operators specializing in finishing operations only. Those farms had limited production experience and were attracted by high pork prices.

No reliable public information is available on the 2023 year-end animal inventory. Some shreds of evidence suggest that the industry did not expect such a significant pork price hike in 2023 and does not believe that it will last in 2024. In fact pork prices declined in the late months of 2023 and early 2024. The number of sows in early 2024 is likely to be similar to 2023, with a comparable animal inventory and production outlook. The industry is generally happy with the current sales level and income. No significant investments into new swine inventory are reported.

#### *African Swine Fever*

The number of officially registered African Swine Fever (ASF) cases increased in 2023. The outbreaks were registered in both wild boars (10 cases) and production facilities (37 cases). Most cases were reported from Central Ukraine, the areas unaffected by the war. Ukrainian industry is afraid that this increase may result in a bigger wave of outbreaks in the near future.

**Figure 9. Number of Officially Registered African Swine Fever Cases**



*Source:* <https://pigua.info/uk/site/disease>

\* Only industry data is available at this point

ASF remains the largest threat to production. Private households are the most vulnerable to ASF due to a lack of knowledge about the disease and rudimentary biosecurity practices. Large industrial farms are less prone to disease spread but often suffer from nearby outbreaks when the eradication zone covers their production facilities. The government of Ukraine implemented compensatory programs for households, but industrial farms have to rely on expensive commercial insurance tools in cases when they are available.

## Trade

Due to ASF's presence in the country, the export of live pigs is practically impossible. Ukraine imports a minimal number of live pigs to maintain the genetics programs at large industrial farms. Almost all imported pigs come from the large EU genetic centers. After a drop in 2022, live pig imports recovered in 2023 to six thousand heads. Trade in live pigs is not expected to be significant in 2024.

## **Pork**

**Table 4. Meat, Swine, 1000 MT CWE**

Meat, Beef, and Veal Market Year Begins	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
Ukraine	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	7075	7075	7495	7495	7855	7855
Beginning Stocks	0	0	0	0	0	0
Production	661	680	720	660	750	670
Total Imports	62	62	12	19	15	19
Total Supply	723	742	732	679	765	689
Total Exports	1	1	1	1	1	1
Human Dom. Consumption	722	741	731	678	764	688
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	722	741	731	678	764	688
Ending Stocks	0	0	0	0	0	0
Total Distribution	723	742	732	679	765	689

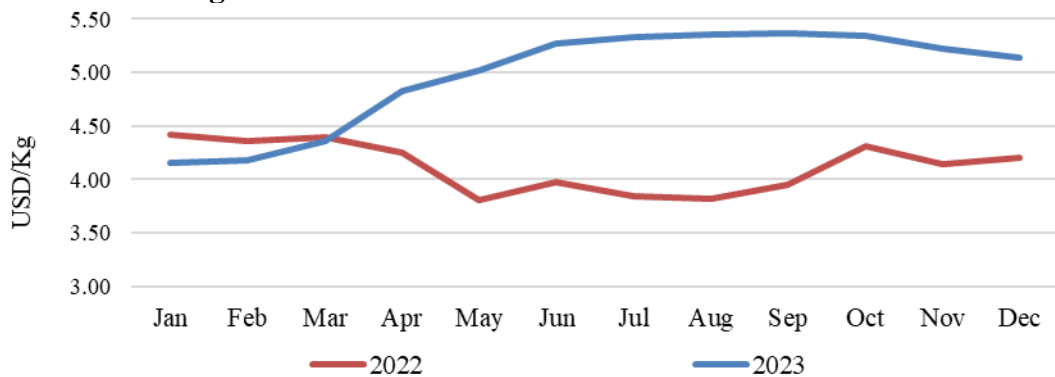
*\*Not Official USDA Data*

*This table includes indicators for Crimea.*

## Production

Ukraine's pre-war pork production did not cover the domestic market needs. After the war started, both industrial farms and private households increased animal slaughter. However, after the initial pork production spike, the industry slowed down production in the remaining months of 2022. Increased pork imports covered the market needs. Imports were intensive despite currency devaluation and logistical problems. The situation changed in the spring-summer of 2023 when EU pork market prices increased, making imports unaffordable and resulting in a collapse in import volumes. This situation then drove domestic market pork prices increases. Ukrainian producers reacted by increasing the pig inventory and, consequently, some slaughter recovery. 2023 pork production is expected to be slightly below the 2022 number. Due to the industry's concerns over decreased consumption, 2024 production is expected only to increase insignificantly.

**Figure 10. Ukraine's Pork Retail Price**



*Source: State Statistics Service of Ukraine*

### Consumption

Ukraine's pork consumption decreased significantly in 2022 despite increased imports. All war-related factors that negatively impacted beef consumption would be applicable to pork consumption. This includes significant population outflow, a substantial drop in disposable incomes due to a GDP decrease, and a large number of internally displaced persons who lost their jobs.

Increased pork prices became the most important factor besides the war-related ones. Despite higher pork prices the subsequent consumption drop is the primary industry concern and the source of 2024 production pessimism. A consumption drop was independently confirmed by Ukrainian retail chains, which reported from 12 to 20 percent drop in pork sales.

Pork remains one of the three major animal proteins Ukrainians consume and plays an essential role in the Ukrainian diet. Although no official updated information on pork share in the total meat consumption is available, industry sources believe that it dropped from more than a third in 2021 to roughly a quarter in 2023. Retailers also noted increased poultry consumption due to 2023 pork price growth.

### Trade

#### *Exports*

Ukraine is an ASF-affected country, which limited exports to very few export destinations willing to accept the risks. Additional war-related logistics costs make exports even more problematic. Before the war started, some Ukrainian industrial producers worked on creating ASF-free compartments, which some importers would be able to recognize. As of 2024, this process remains a work in progress. The 2023 exports were sporadic and limited. No situation change is expected in 2024.

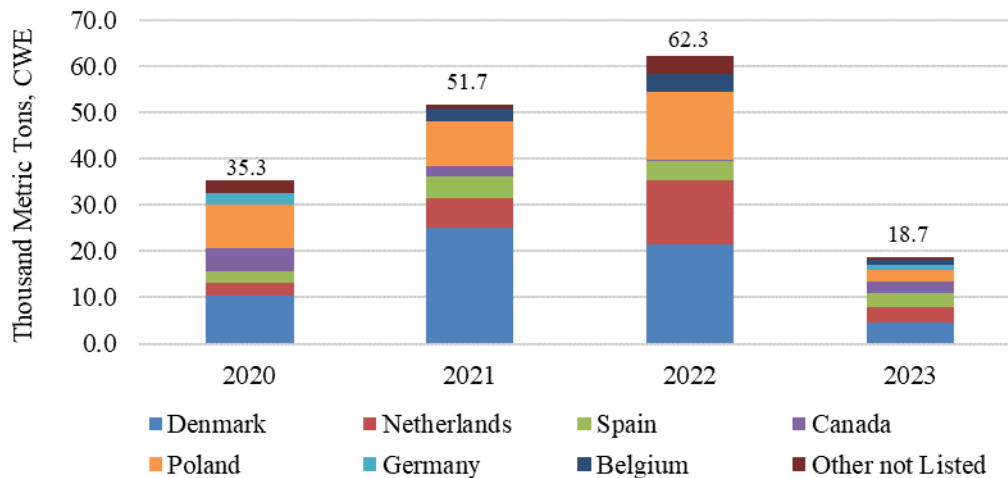
#### *Imports*

Pork imports in 2022 remained strong due to declining swine inventory and pork production decrease that started in the summer of 2022. Pork imports were also facilitated by the small business support package adopted by the Ukrainian Parliament in the spring of 2022. This package provided small businesses with Value Added Tax (VAT) breaks, and unexpectedly, pork import operations were

eligible. The Parliament has canceled the breaks later in 2022, but substantial imports had already taken place. 2022 imports were the highest in the last nine years.

Imports from the EU countries dominated the Ukrainian market, with Denmark, Netherlands, and Poland being responsible for almost 80 percent of it. Affordable prices, zero import duty tariff rate quota, and geographical proximity were the main factors contributing to this situation. Imports from other destinations must transit the EU territory and thus be EU transit compliant. This makes other imports more expensive as only a few countries/facilities are eligible, and a premium price is usually paid for EU-compliant products.

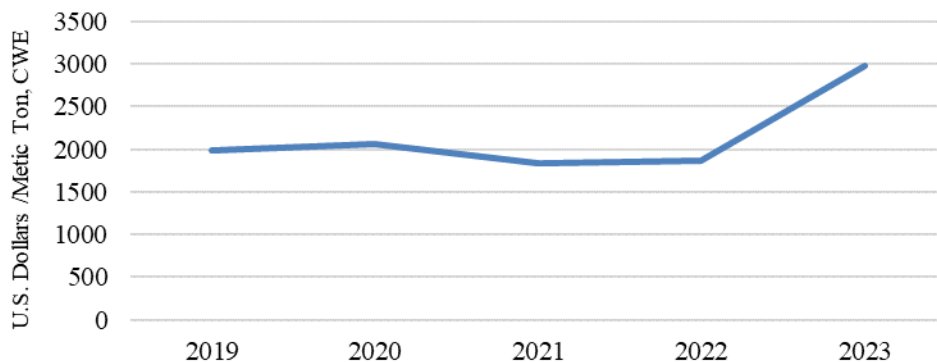
**Figure 11. Ukraine's Pork Imports by Country**



*Source: Trade Data Monitor*

The 2023 European pork production crisis resulted in a significant pork price surge making Ukrainian domestic production more competitive. 2023 imports collapsed by 70 percent to almost 19,000 metric tons, which is the lowest number in the last five years.

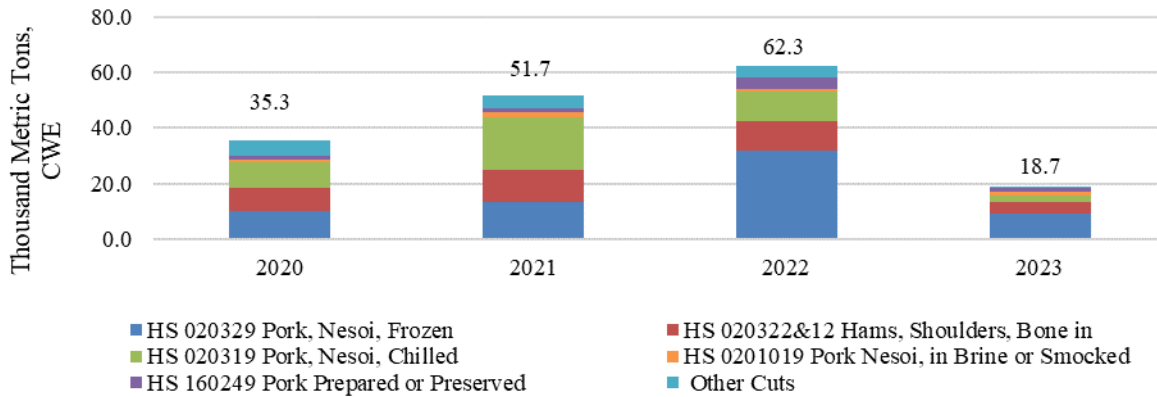
**Figure 12. Ukraine's Pork Import Prices**



*Source: Trade Data Monitor*

The 2023 import structure did not differ much from the 2022 one. It shifted toward cheaper products as demand concentrates in the lowest market segment. Minced pork, trimmings, and offal (both chilled and frozen) for further processing constitute almost three-quarters of all imports.

**Figure 13. Structure of Ukraine's Pork Imports**



*Source: Trade Data Monitor*

**Attachments:**

No Attachments