UDC 438.439.5(477)

THE CURRENT STATUS OF UKRAINIAN GRAIN MARKET

A. D. Gyrka, *doctor of agricultural sciences*
SI Institute of Grain Crops of NAAS Ukraine

Наведено результати аналізу валових зборів зерна пшениці озимої та ярої, ячменю озимого та ярого і вівса в Україні за останні 15 маркетингових років. Визначено експортний потенціал держави, співвідношення між часткою внутрішнього споживання зерна і його експортом, з'ясовано середньозважену структуру споживання зерна.

Ключові слова: *пшениця озима та яра, ячмінь озимий та ярий, овес, зерно, виробництво, експорт, баланс.*

Nowadays Ukraine is one of the largest agricultural countries. According to the Agriculture Ministry, State Statistics Service and the WTO, our country ranks 3rd place in the world in the export of grain and has a huge untapped potential to increase the grain production and sale on the domestic and foreign market.

So, I deemed it expedient to conduct a detailed analysis of grain production in Ukraine for the past 15 years (from 2000 to 2014), and determine the balance of domestic consumption and exports of this product.

Thus, since the 2000s, when the country's agricultural production transferred from state and collective farms into private business for 15 years Ukraine is gradually becoming one of the world's largest producers and exporters of grain products. During the presentation of the material it is appropriate to focus on small-grain crops, share-nothing in winter and spring forms (tabl.).

Thus, while characterizing the Ukrainian grain export indicators of winter and spring forms of wheat, barley and oats is worth to notice the overall positive trend in wheat and barley crops. Particularly clearly defines the increase of export potential of wheat from 5–6 million tons in the early 2000s for a total amount of 400–500 million USD to 6–10 million tons (in some years up to 12 million tons) in recent years, for a total amount of more than 2 billion USD, because of the substantial increasing in efficiency of growing the higher yielding winter it forms on a background of spring.

The indicators of international economic activity based on the results of export the Ukrainian wheat, barley and oat grain (2000–2015 Marketing year)

Marketing year (MY)	Winter and spring wheat		Winter and spring barley		Oat	
	volume, ths. t	sum, mil. USD	volume, ths. t	sum, mil. USD	volume, ths. t	sum, mil. USD
2000/01	77,15	8,25	1004,40	99,20	32,34	2,41
2001/02	5466,74	466,01	2797,96	252,00	47,38	3,44
2002/03	6540,84	524,94	2878,01	232,57	6,36	0,40
2003/04	47,36	8,73	1517,16	202,63	9,47	1,10
2004/05	4377,27	505,58	4315,16	433,06	17,20	1,37
2005/06	6427,37	699,06	3959,01	519,10	0,75	0,06
2006/07	3329,86	491,42	5102,78	724,50	0,99	0,56
2007/08	911,23	268,78	1045,00	311,82	23,91	7,25
2008/09	12714,59	2161,32	6371,21	1336,52	6,22	0,65
2009/10	9157,45	1337,04	6232,69	819,71	16,35	2,14
2010/11	4166,16	997,91	2794,11	511,31	3,91	0,62
2011/12	5254,22	1277,35	2463,10	611,25	1,38	0,56
2012/13	6844,99	1957,41	2133,81	601,65	1,01	0,25
2013/14	9343,54	2243,50	2470,20	581,60	3,45	0,75
2014/15	10909,42	2214,70	4464,15	884,63	38,49	5,11
Всього	85568,17	15161,99	49548,75	8121,55	209,20	26,67

A similar pattern, albeit less clearly expressed, is observed also with respect to barley. If in the early 2000s farmers traditionally grew more spring barley and a small amount – of winter, in recent years it is observed increasing in acreage of winter forms. In general, exports volume of barley within 15 years increased 2-fold, reaching 4 (in some years up to 6 million tons) for the sum of 400–600 million USD. A record for this indicator was the 2008/09 marketing year during which the barley grain was exported for a total amount of more than 1,3 billion USD.

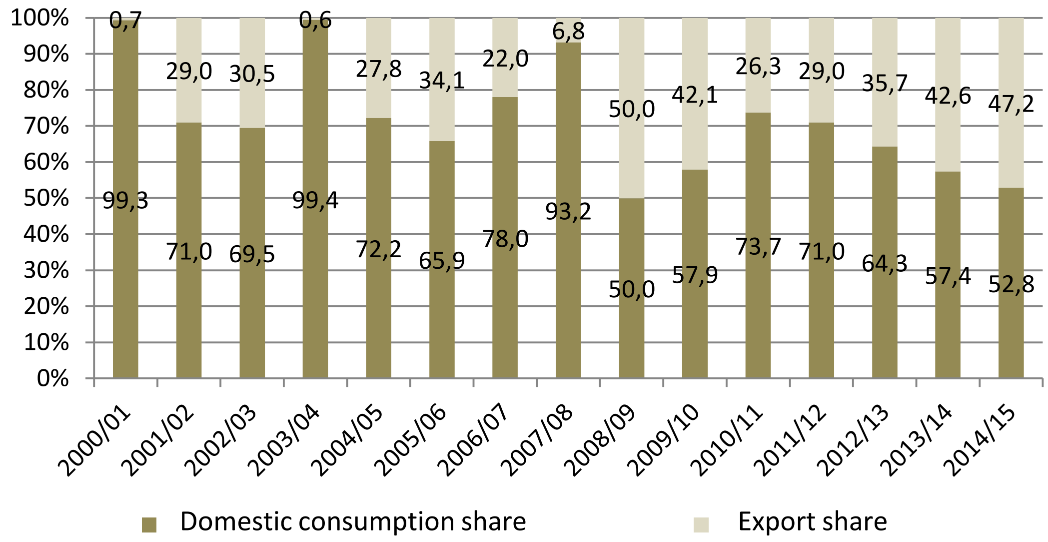

Fig. 1. The ratio of domestic consumption of wheat grain to its export (2000–2015 MY).

Less indicative at this time is oats grain exports, the culture, despite the great potential has not received proper distribution in Ukraine, due to a number of objective reasons. So, within the last 15 years the export of oats grain decreased from 30–40 ths. tons for an amount of 2,3 million USD to 1–3 ths. tons for an amount of 500–700 ths. USD.

The increasing in gross yield and export of oats and spring barley grain in some years is explained by replanting of dead or thinned winter crops (wheat and barley) is caused by a combination of adverse winter factors.

Describing the indicators of international economic activity it is should be noted, that only the export of Ukrainian wheat, barley and oats grain provides a stable annual government revenue 1,0–1,5 billion USD. Over 15 years has been exported wheat and barley grain totaling more than 23 billion USD, with their share in the export balance above the 63,2 and 36,6 % respectively.

Detailed analysis of the national wheat balance made over time shows the gradual change of the annual value of exports of this product to the domestic consumption by increasing the first one and reduction the second in the total consumption (Fig. 1).

During the last 7 years we have seen a substantial increase in exports of wheat – the export share reaches 40–50 % in the national balance sheet.

In the structure of domestic consumption for feed purposes each year used 43 % wheat, and a little less for feed/fodder – 38 % (Fig. 2).

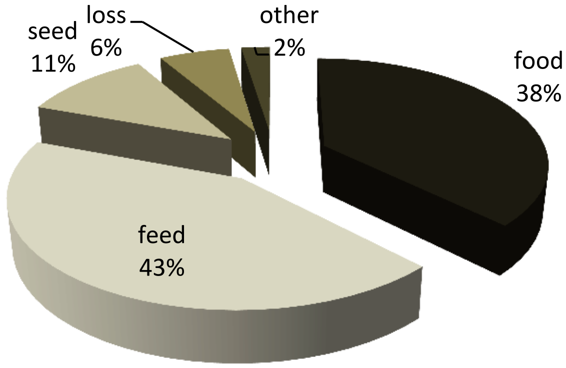

Fig. 2. Weighted average structure of domestic consumption of wheat grain in Ukraine (average for 2000–2015 MY).

For seed needs annually uses about 11 % of wheat grain, and in the industry – only 2 %. Reasonably large are annual grain losses of this product – an average of 6 % of the total domestic consumption, which is about 600–800 ths. tons of wheat grain.

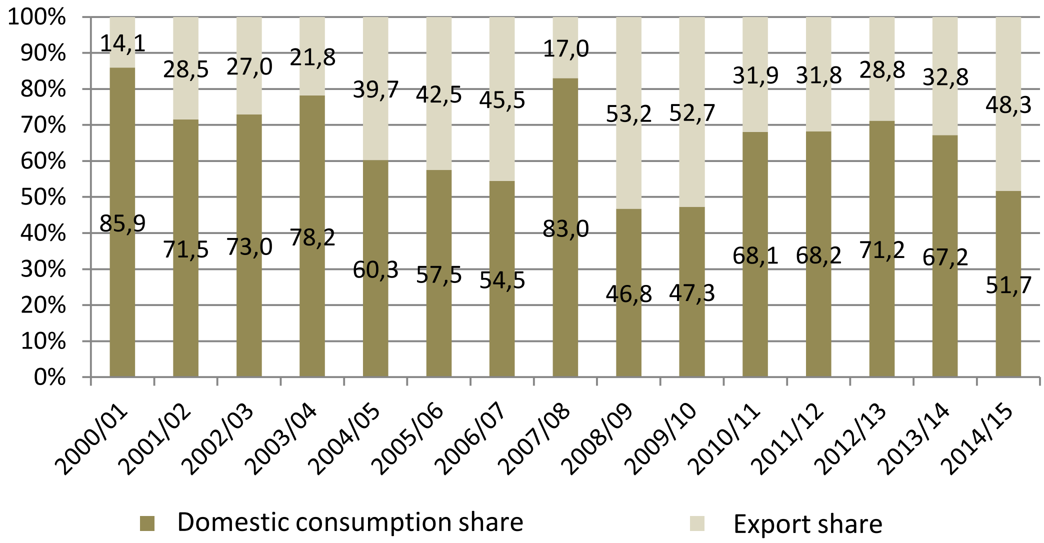

Fig. 3. The ratio of domestic consumption of barley grain to its export (2000–2015 MY).

With regard to the national balance of barley grain, it is similar to wheat with an identical (though less contrast) gradual change in the ratio of exports of these products to its domestic consumption (watch Fig. 3).

Thus, while 15 MY its observed the annual increase in exports and, consequently, a decrease in domestic consumption, which varies from 2,0 to 2,6 % in the national balance of barley grain.

At the analysis of domestic consumption of barley grain was found, that the main share (70 %) of this product annually is used for feed/fodder purposes (Fig. 4).

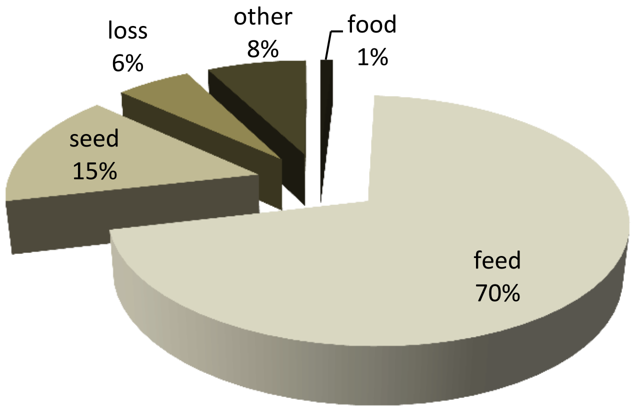

Fig. 4. Weighted average structure of domestic consumption of barley grain in Ukraine (average for 2000–2015 MY).

For seed needs annually uses about 15 % of barley grain for the production of alcohol, malt, starch, etc. – 8 %. Value of annual grain losses of this product remains at a high level – 6 % of the total domestic consumption. For industrial requirements involved in only 1 % of the grain, which is insufficient and requires be substantially increased.

Detailed analysis of the national oats grain balance spent for 15 seasons in the dynamics demonstrates the stably high (95,4–99,9 %) annual indicators of domestic consumption of this product compared to exports, which amounts only in some years reached 3,2–4,6 % (Fig. 5).

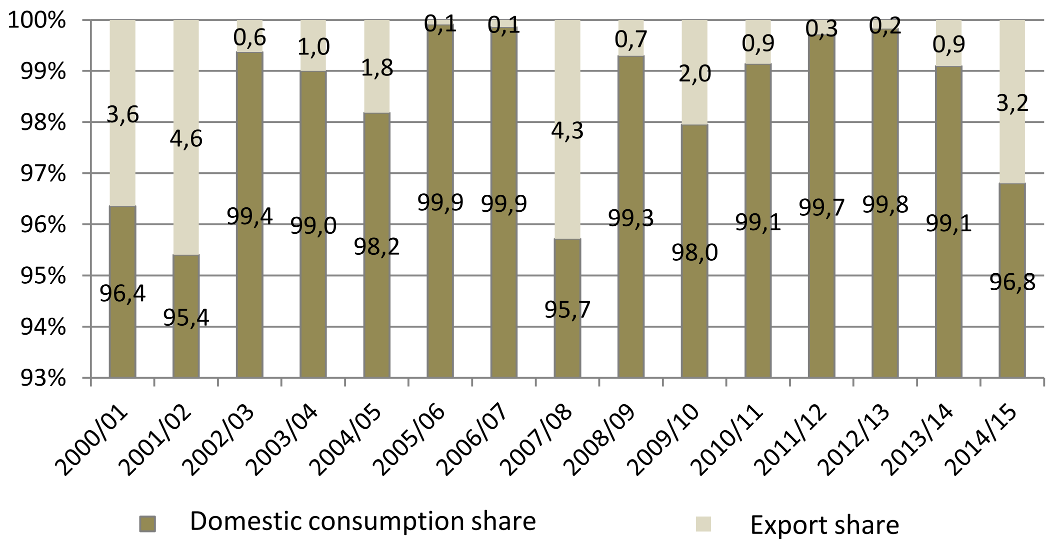

Fig. 5. The ratio of domestic consumption of oat grain to its export (2000–2015 MY).

As for the domestic consumption of oats, it is similar to barley, due mainly feed/fodder grain direction using it. Thus, for the feed purpose used annually 79 % oats grain (Fig. 6).

It should be noted that over the past 8 years obtained the tendency to sustained annual growth (5–10 ths. tons) using oats grain for food and a slight reduction (50–200 ths. tons) the use of this product for feed/fodder purposes. So, now there is a significant growth of country export potential.

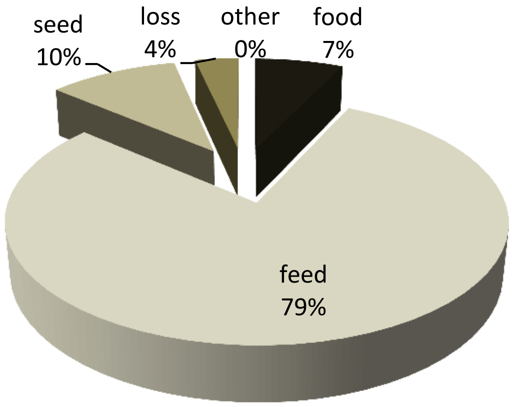

Fig. 6. Weighted average structure of domestic consumption of oat grain in Ukraine (average for 2000–2015 MY).

Detailed analysis of Ukraine's international economic activity on the grain market gives every reason to believe that today we have 45–50 % of exports of wheat and barley grain, the total volume produced in Ukraine (excluding transient annual grain residues).

Conclusions. The war in eastern Ukraine had a negative impact on economic development in the country. And, despite the difficult socio-economic situation, the agricultural sector stood and trying to develop. So, now we can confidently say that Ukraine's AIC has become the "locomotive", which had the role of a "pull" for all other industries. Fortunately – Ukraine has unique climatic resources and geopolitical situation, contributing to the development of the agricultural sector. This result achieved by the real transformation of agriculture in the agricultural business, employing modern technologies that are currently much higher than, for example, in steel or coal industry.

Consequently, assessing the positive dynamics of all this is worth noting that the world's leaders in the market of grain products knowingly gives away the market of raw materials for suppliers with much worse economy. At the same time they increase the recycling and play a greater role in the export of finished products. So at this stage of Ukraine's AIC, in our opinion, it is important to establish an optimal balance of domestic consumption of grain products. It is necessary to develop the capacities for processing grain products, in fact, domestic consumption – it's food, livestock, seed fund, where the created added value and jobs.

Bibliography

1. Наукові основи агропромислового виробництва в зоні Степу України / Редкол. *М. В. Зубець* (голова), *В. П. Ситник, М. Д. Безуглий* [та ін.]; НААН України. – К.: Аграр. наука, 2010. – 980 с.
2. *Адаменко Т. І.* Зміна агрокліматичних умов і їх вплив на зернове господарство України / *Т. І. Адаменко* // Погода і зернове господарство України: матеріали наради-семінару. – Дніпропетровськ, 2004. – С. 3–6.
3. *Іващенко О. О.* Напрями адаптації аграрного виробництва до змін клімату / *О. О. Іващенко, О. І. Рудник-Іващенко* // Вісн. аграр. науки. – 2011. – № 8. – С. 10–12.
4. Зернові, зернобобові, круп'яні культури і кукурудза в агроекосистемах // Наукові основи ведення зернового господарства / [*О. І. Різник В. Ф. Сайко, М. Г. Лобас, І.* та ін.] ; за ред. *В. Ф. Сайка*. – К.: Урожай, 1994. – С. 41–54.
5. *Пащенко Ю. М.* Інтенсифікація зерновиробництва. Агроекологічна та соціально-економічна сутність / *Ю. М. Пащенко, В. С. Рибка, М. С. Шевченко* // Эксклюзивные технологии. – 2010. – № 3 (8). – С. 22–27.