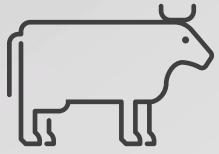


Beef production



Current industry
landscape, historical
performance
and forecasts

2025



Beef production

Current industry landscape, historical performance and forecasts

Market environment

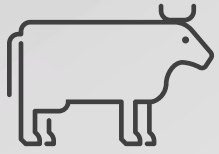
The Ukrainian beef production market is now experiencing relative stability, but is also facing a number of challenges, including climate change, economic difficulties and competition from international markets. Beef production in Ukraine is primarily focused on meeting domestic demand, though there is growing potential for exports, driven by improvements in product quality and the advancement of agricultural technologies.

Ukraine has experienced a modest decrease in cattle numbers, partially attributable to elevated maintenance and feed costs, as well as diminished profitability in select production sectors. Consequently, producers, particularly small farmers, are encountering challenges in achieving stable incomes.

A notable trend is the growing demand for organic beef. Farm owners and large farming enterprises are working to meet the demand for higher quality, environmentally friendly products, which is becoming a key competitive factor, primarily in the context of integration into European markets.

Many beef producers in Ukraine are modernising their production facilities, introducing modern methods of livestock husbandry and feeding. This allows them to increase productivity and reduce costs.

Producers are becoming increasingly focused on reducing costs, with a particular emphasis on optimising feed bases and enhancing the efficiency of land usage.



Beef production

Current industry landscape, historical performance and forecasts

Infrastructure and investments

The infrastructure for beef production in Ukraine has undergone certain changes in recent years, but significant investment is required for modernisation.

Large-scale producers often encounter challenges in creating optimal conditions for livestock, which can lead to reduced production efficiency. There is an ongoing requirement to construct new farm complexes and to modernise existing ones.

Ukraine is keen to attract investment for the development of scientific research and the introduction of the latest agricultural technologies, particularly in the areas of breeding and feed resources.

Logistics issues also have a significant impact on the market. In the current business climate, many farms are encountering challenges in delivering their products to consumers. These challenges are largely attributable to underdeveloped transport infrastructure, which has a detrimental effect on both cost and profit margins.

Logistics

Logistics is a key factor in determining the efficiency of the beef production market. The effective preservation and transportation of beef necessitates the use of appropriate refrigeration equipment. Ukraine has a shortage of such storage facilities, which complicates the storage and transportation of products, especially over long distances. Infrastructure issues pertaining to the transportation of products to domestic and foreign markets have a detrimental effect on the efficiency of the industry. Improving roads and transport routes is a key step towards reducing transport costs.

Ukrainian beef faces competition from other producing countries with more developed infrastructure, which allows them to reduce transportation costs and ensure better product quality.



Beef production

Current industry landscape, historical performance and forecasts

Demand in foreign markets

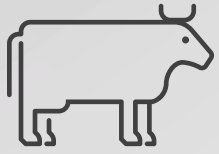
Ukraine has the potential to increase beef exports, especially to European Union countries, as well as to markets in Asia and the Middle East. However, demand for beef from Ukraine remains constrained due to its low production volumes and the high-quality standards required by foreign markets.

Perspective

The outlook for the Ukrainian beef production market may be influenced by various factors. The key to increasing beef exports to European markets is to harmonise product quality standards with European requirements and to improve production efficiency.

The introduction of the latest agricultural technology, particularly in the areas of livestock breeding and feeding, has the potential to contribute to increased production volumes and better competitiveness in foreign markets.

Producers will need to develop new business strategies to address issues related to climate change, particularly in relation to feed and energy efficiency.



Beef production

Current industry landscape, historical performance and forecasts

Production (in thousands of tonnes)

231 218

-5,4%

24E

33F

Exports (in thousands of tonnes)

29 28

-2,9%

24E

33F

Price dynamics (in \$ per tonne)

\$4 547 \$5 821

+28,0%

24E

33F

Conclusions

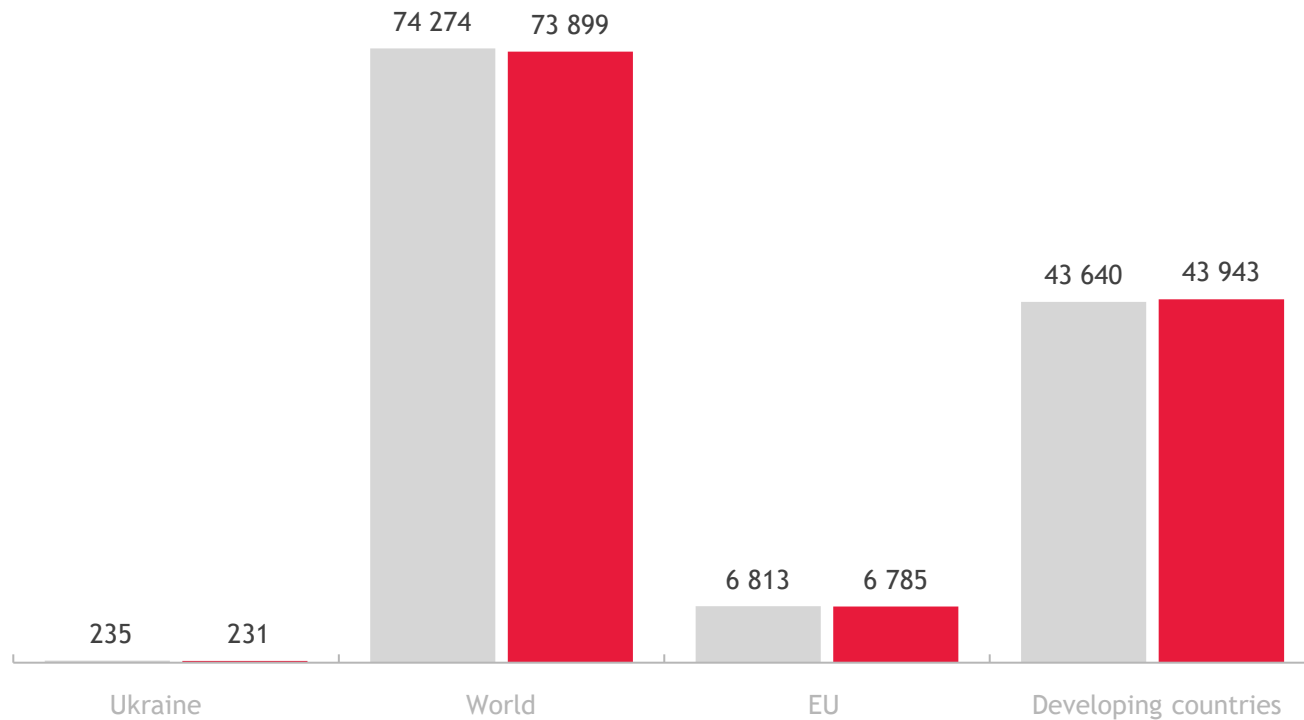
The Ukrainian beef production market is stable, but there is a need for modernisation of infrastructure, development of logistics capabilities and introduction of the latest technologies to improve competitiveness.

In the future, given the increased demand for organic products and export potential, Ukraine can be expected to become an important player in the global beef market. However, this will require improvements to the investment climate and promotion of the development of agricultural technologies.

Beef production in Ukraine accounts for less than 0.4% of global production. While this may appear negligible in terms of its impact on international prices, it does offer potential for the development of export strategies.

Production dynamics (in thousands of tonnes)

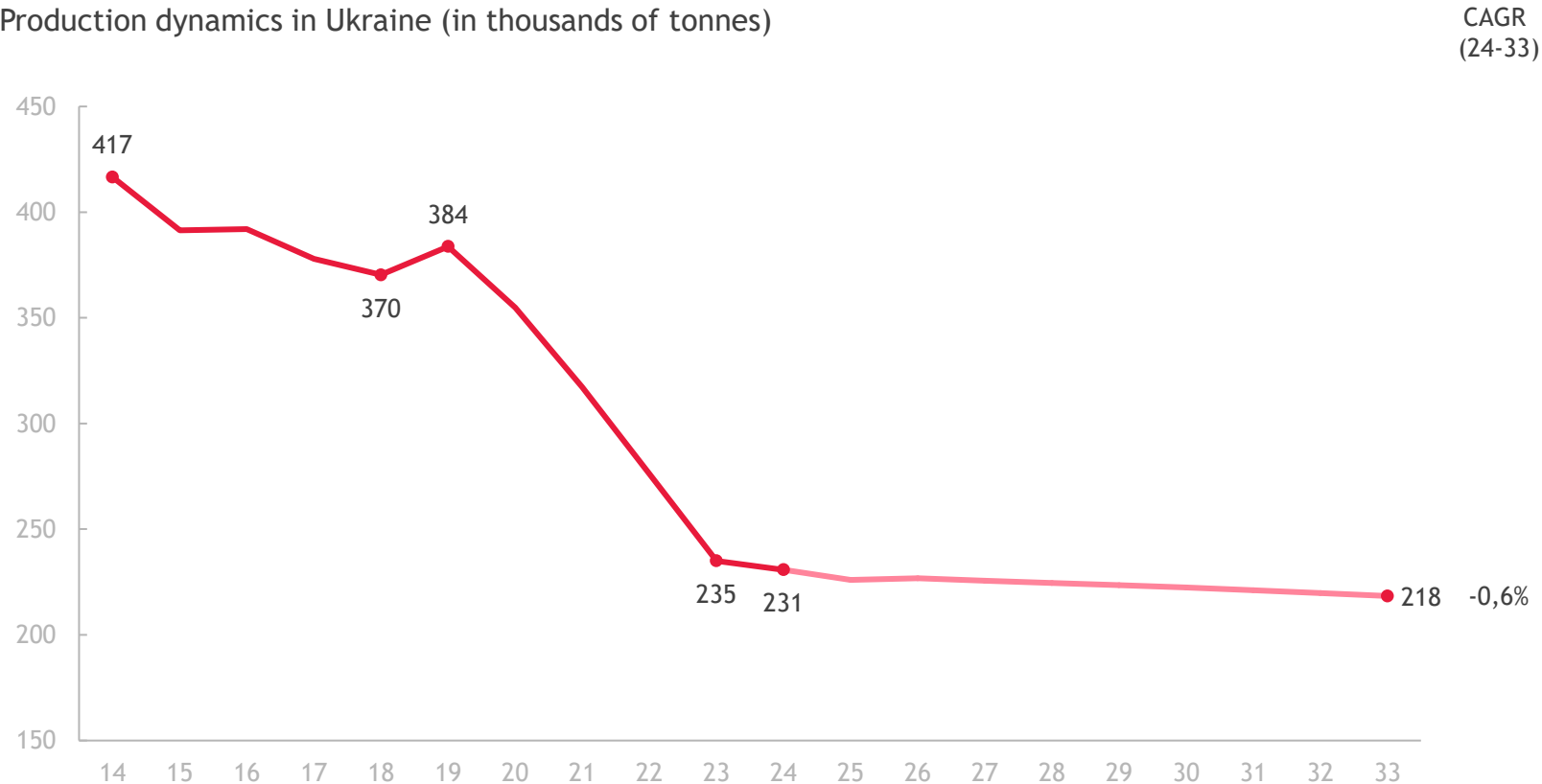
2023 | 2024



- ▶ In 2024, **beef production in Ukraine decreased** from 235 thousands of tonnes to 231 thousands of tonnes, representing a decline by **1,7%**. This indicates that the overall trend of stagnation or gradual decline in the industry is continuing, likely due to rising production costs, declining livestock numbers and weak domestic demand.
- ▶ The **global** indicator saw a **slight decrease** from 74,274 thousand tonnes in 2023 to 73,899 thousand tonnes in 2024, representing a 0.5% reduction. It is possible that this is due to global economic and climatic factors having an impact on the meat industry.
- ▶ In **developing countries**, **beef production increased** from 43,640 to 43,943 thousands tonnes (+0,7%). This signals a gradual resurgence in livestock farming in regions, where production costs are lower, populations are growing and demand is increasing.

Further **decline in the beef production industry** in Ukraine could result in increased reliance on imports. This could compromise food stability, particularly in the context of military aggression and logistical challenges.

Production dynamics in Ukraine (in thousands of tonnes)



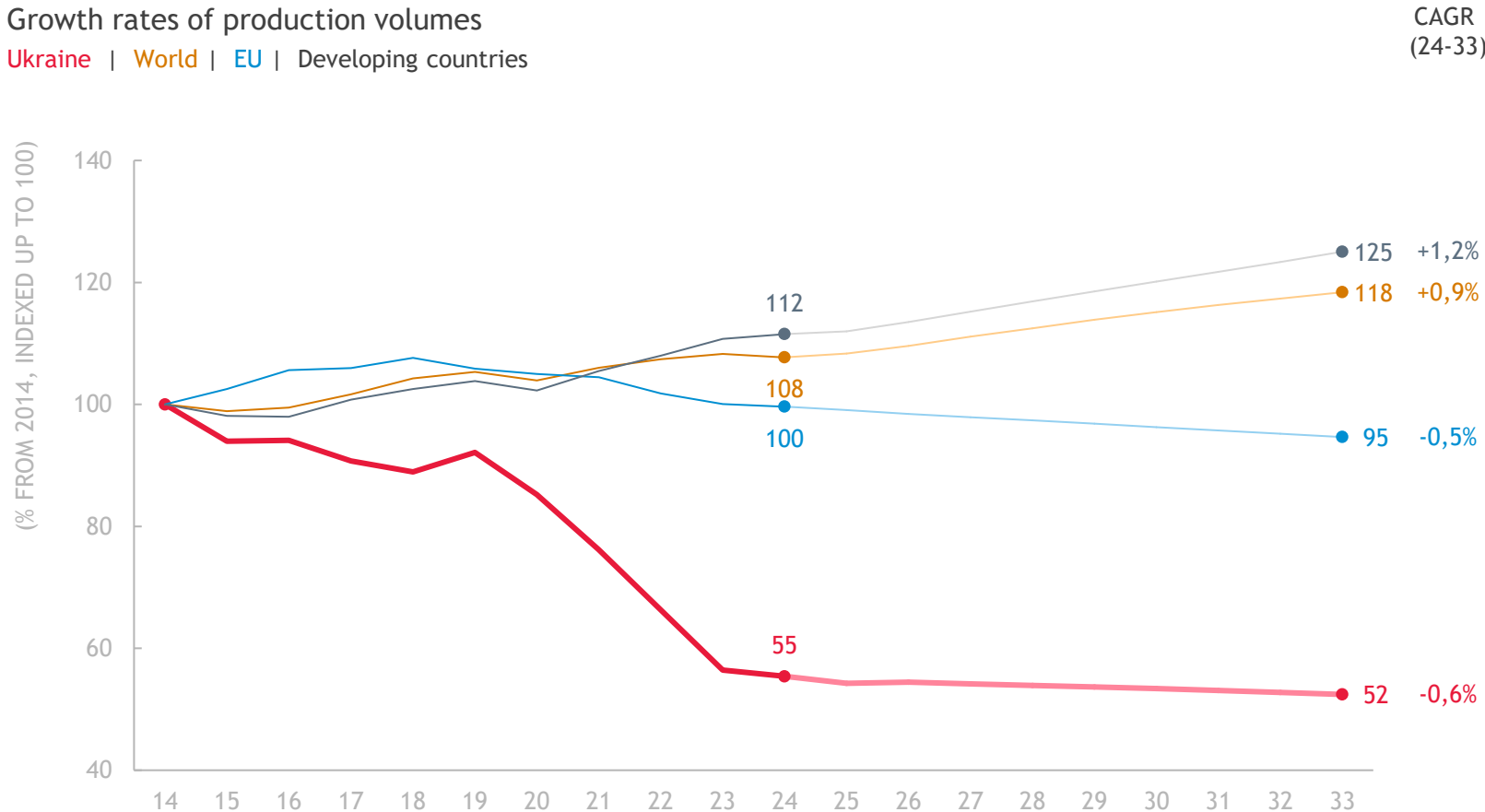
► Beef production in Ukraine declined from 417 thousands tonnes in 2014 to 370 thousands tonnes in 2018. Following a slight increase in production volumes in 2019 to 384 thousands tonnes, the indicator experienced a downward trend, reaching 235 thousands tonnes by the end of 2023, representing a decline of more than 38% over a three-year period. This may be the result of economic instability, war, a decrease in cattle numbers, or a decline in effective demand.

► Beginning in 2024, the rate of decline is expected to decelerate, with a gradual reduction in production from 231 to 218 thousands tonnes by 2033. The compound annual growth rate (CAGR) is -0,6%, indicating a systemic decline in the role of the industry in livestock farming and the national economy, as well as a certain “bottom” being reached, after which a period of stabilisation or restructuring of the industry is possible.

Ukraine is experiencing a significant decline in beef production, **with a 48% decrease**, lagging critically behind the global trend, and with further reductions, it may become dependent on imports even for basic meat products.

Growth rates of production volumes

Ukraine | World | EU | Developing countries

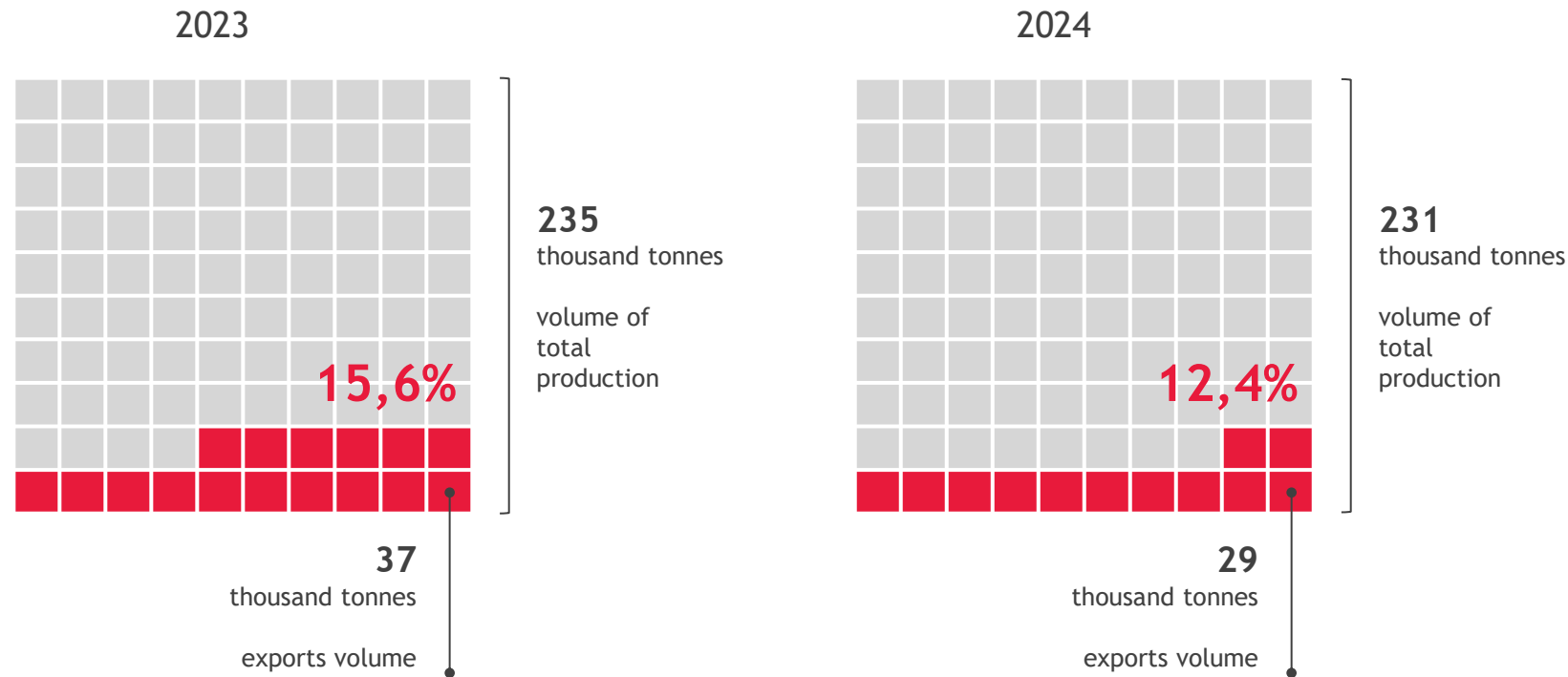


- ▶ In 2024, beef production in Ukraine was at 55% of the 2014 level. By 2033, it will decline to 52%, reflecting a deep structural crisis in the industry. Ukraine demonstrates the most unfavourable dynamics among all the regions presented. The average annual decline (CAGR) in beef production is forecast to be -0.6%, contrasting with positive growth rates in developing countries (+1.2%) and the global market as a whole (+0.9%).
- ▶ Although the European Union is also showing a decline (CAGR of -0,5%), this process is controlled and moderate, from 100% in 2014 to 95% in 2033. This is an example of effective adaptation to changes in consumption.
- ▶ Regions that demonstrate a strong commitment to supporting local livestock farming activities have shown the highest growth rates, with some reaching up to 125%. This indicates that political determination, investment and market incentives can effect change, even in challenging conditions.

Beef exports in Ukraine are declining. In 2024, lost a fifth of its exports, and the **share of exports in total production** fell to 12,4%.

Export volumes and share in total production (in thousands of tonnes; %)

Exports | Domestic consumption

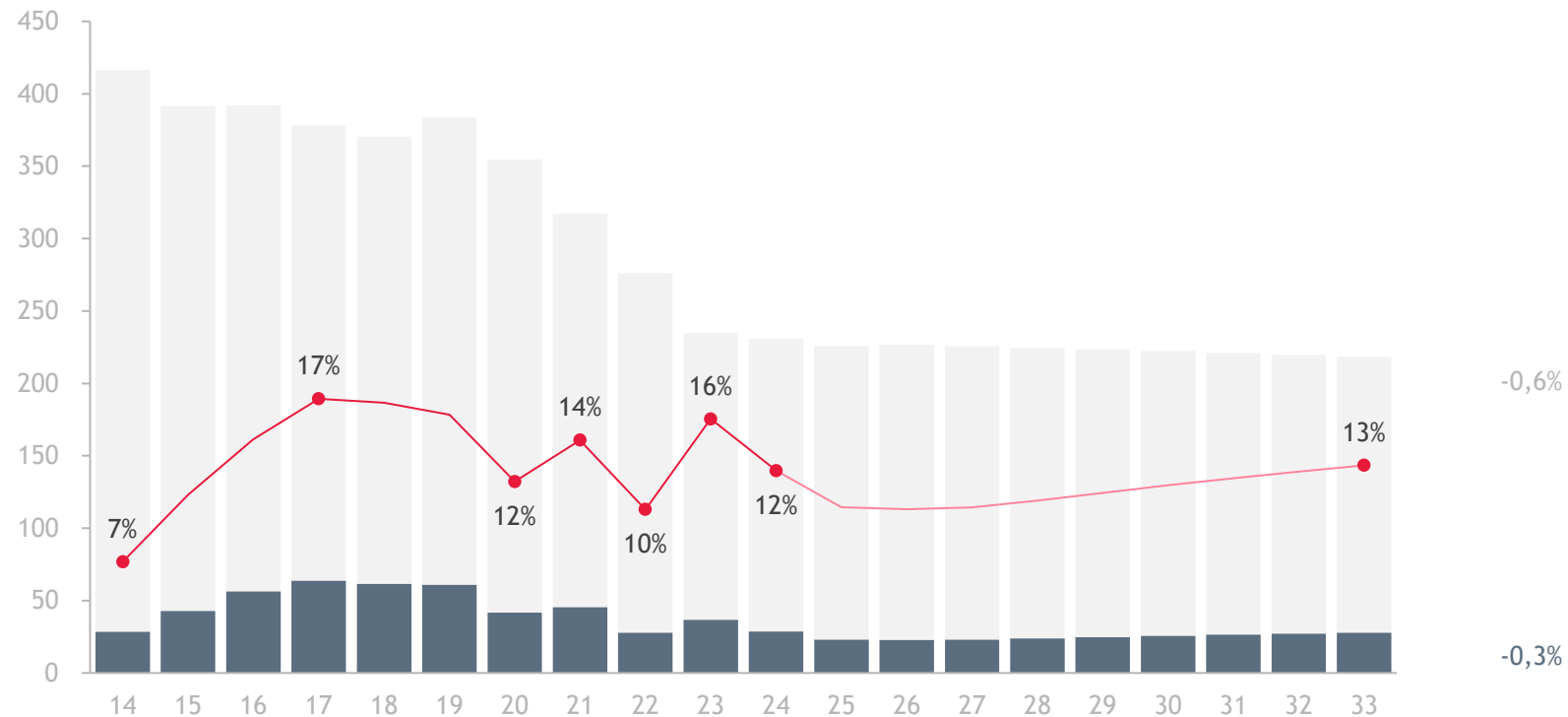


- ▶ In 2023, Ukraine exported 37,000 tonnes of beef. By the end of 2024, this figure had decreased to 29,000 tonnes. This represents a decrease of 8,000 tonnes, or approximately -21.6%, indicating a decline in external demand or logistical/economic constraints.
- ▶ In 2023, exports accounted for 15,6% of total production, while in 2024 this figure dropped to 12,4%. This indicates a shift in focus towards the domestic market or a decline in the competitiveness of Ukrainian products abroad.
- ▶ Due to a decline in exports and overall production, the domestic market is required to absorb a greater share of the output. This may result in price pressure at home or changes in consumption patterns. A decline in exports is a negative signal for an industry that has traditionally viewed foreign markets as an important source of profitability.

Despite a decline in production, the **share of exports** of beef in Ukraine has stabilised at around 12-13%, indicating that the industry remains focused on foreign markets.

Exports volumes and share in total production (in thousands of tonnes; %)

Share of exports | Exports | Total production

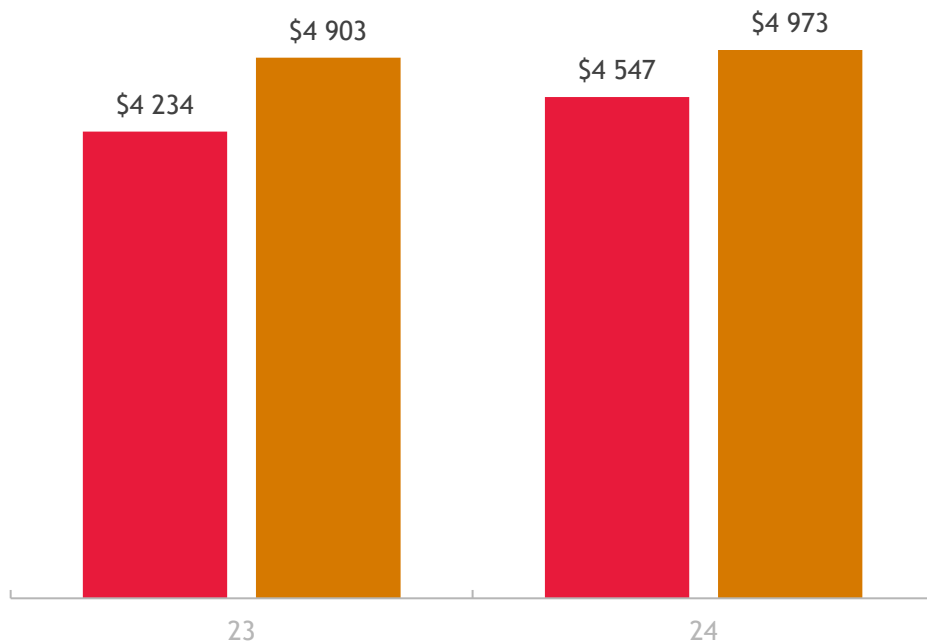


- ▶ The **share of beef exports** has increased from 7% of total production in 2014 to a **peak of 17%** in 2017. This indicates an active increase in export potential against the backdrop of still high domestic production volumes.
- ▶ Following a period of growth, the **export share declined to 10% in 2022**, with a brief recovery to **16% in 2023**. It is possible that these fluctuations are indicative of external demand changes and logistical challenges associated with military events or shifts in trade conditions.
- ▶ The forecast indicates a modest **recovery** in the share of exports to **13% by 2033**, suggesting that the industry is making efforts to maintain foreign markets despite the decline in production in Ukraine.
- ▶ The **decline in production** from over **400 thousand tonnes** in 2014 to **less than 250 thousand tonnes** in 2023-2033 significantly limits export potential, despite stable external demand.

Beef prices in Ukraine are rising faster than global prices, indicating a narrowing price gap, but still not reaching parity with the global market.

Cost of products on the Ukrainian and global markets (in \$ per tonne)

Ukraine | World

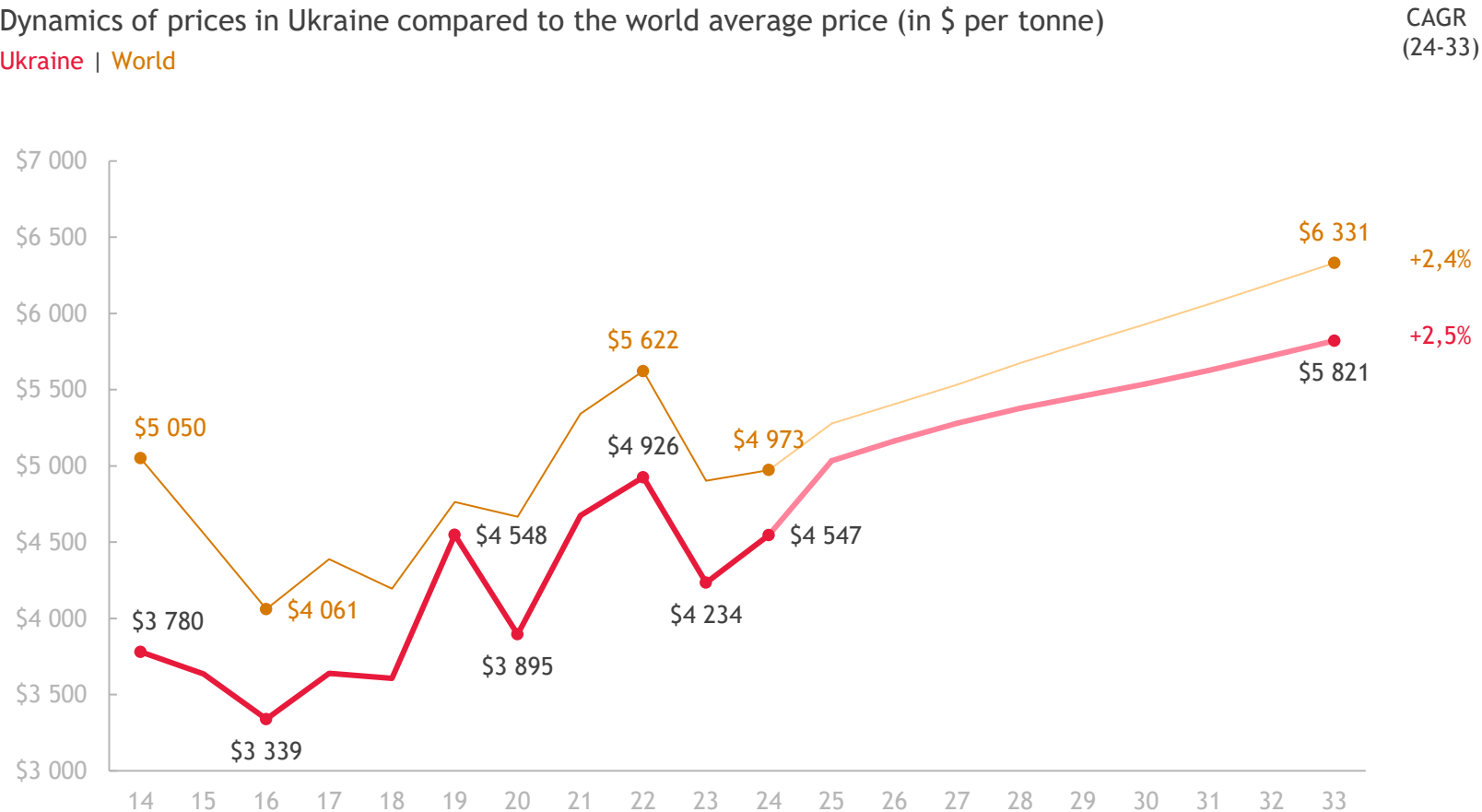


- ▶ In 2023, the average beef price in Ukraine was **\$4,234** per tonne that is **\$669 less** than the **global average** (\$4,903). This difference indicates lower margins for Ukrainian producers, probably due to higher competition or lower added value.
- ▶ In 2024, there was an **increase in value** in both markets: **in Ukraine, the price increased to \$4,547**, and globally to \$4,973. This increase may be due to inflation, higher feed prices, logistics, or changes in global market conditions. In 2024, the **price increase in Ukraine** amounted to **\$313**, which is **+7.4%** compared to the previous year, while globally the increase was only **+1.4% (+\$70)**.
- ▶ Although the absolute price difference has decreased (from \$669 to \$426 per tonne), full convergence has not yet been achieved. Ukraine remains a cheaper supplier, which is both an opportunity and a risk: beneficial for exports, but potentially unprofitable given high production costs.

Ukrainian beef prices are increasing faster than the global prices, demonstrating a tendency to align with global levels and improve competitiveness at international markets.

Dynamics of prices in Ukraine compared to the world average price (in \$ per tonne)

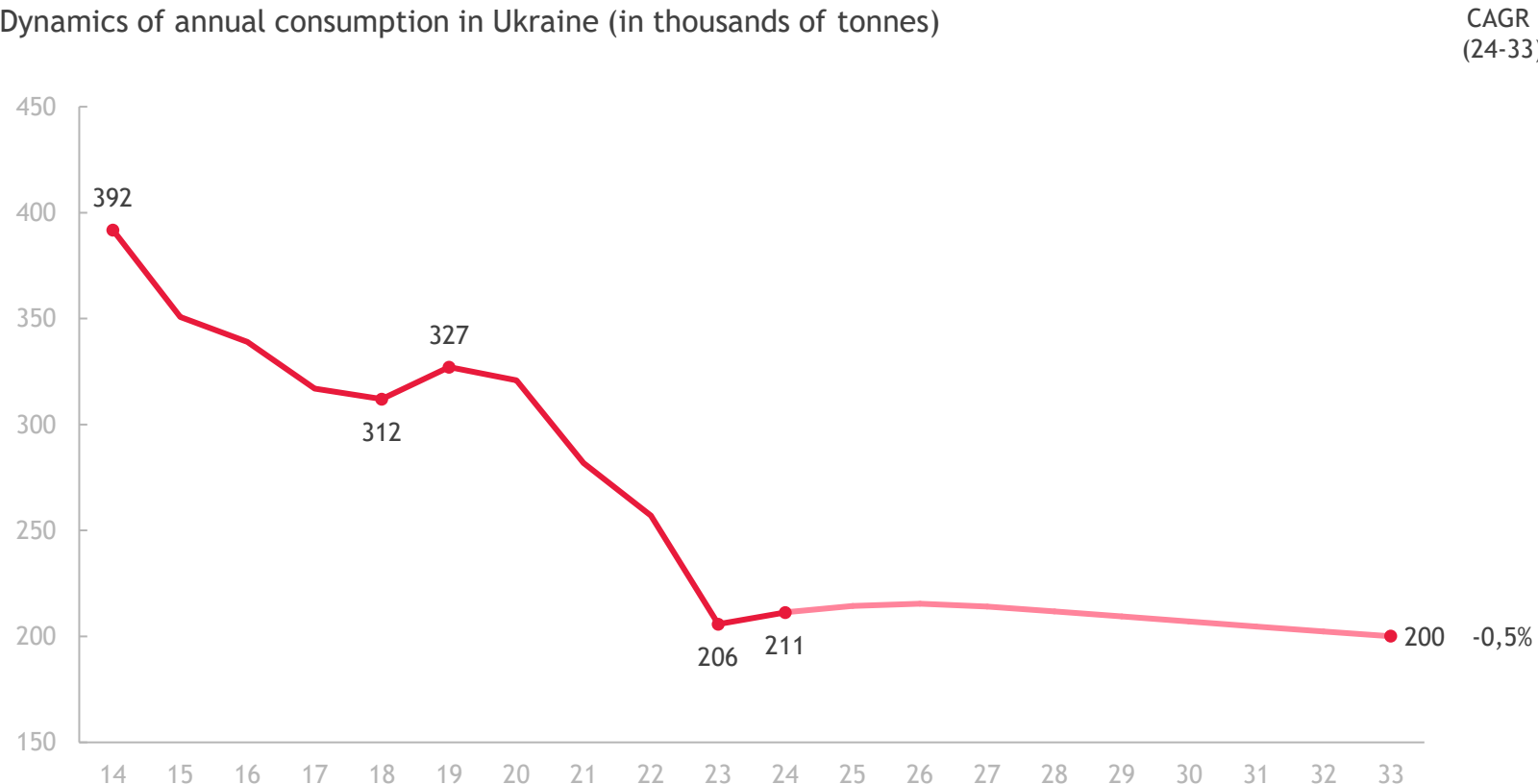
Ukraine | World



- ▶ The cost of beef in Ukraine after a sharp drop to \$3,339 in 2016, is gradually increasing, reflecting market stabilisation and possible improvements in product quality.
- ▶ In 2024, the price in Ukraine was \$4,547, while the global figure was \$4,973. In 2033, this gap narrows to \$5,821 in Ukraine compared to \$6,331 globally. This trend indicates gradual integration into global market conditions.
- ▶ Compared to Ukraine, the global market shows generally smoother dynamics, but with a sharp jump in 2022 (\$5,622), which may indicate a global shortage or logistical challenges.
- ▶ CAGR (compound annual growth rate) until 2033 in Ukraine is +2.5%, while globally it is +2.4%. This means that the national market is growing slightly faster, possibly due to rising production costs, inflation or improved product positioning.

Demand for beef in Ukraine **has stabilised at a low level** after a sharp decline: consumption has almost halved, requiring production to adapt to the new market reality.

Dynamics of annual consumption in Ukraine (in thousands of tonnes)

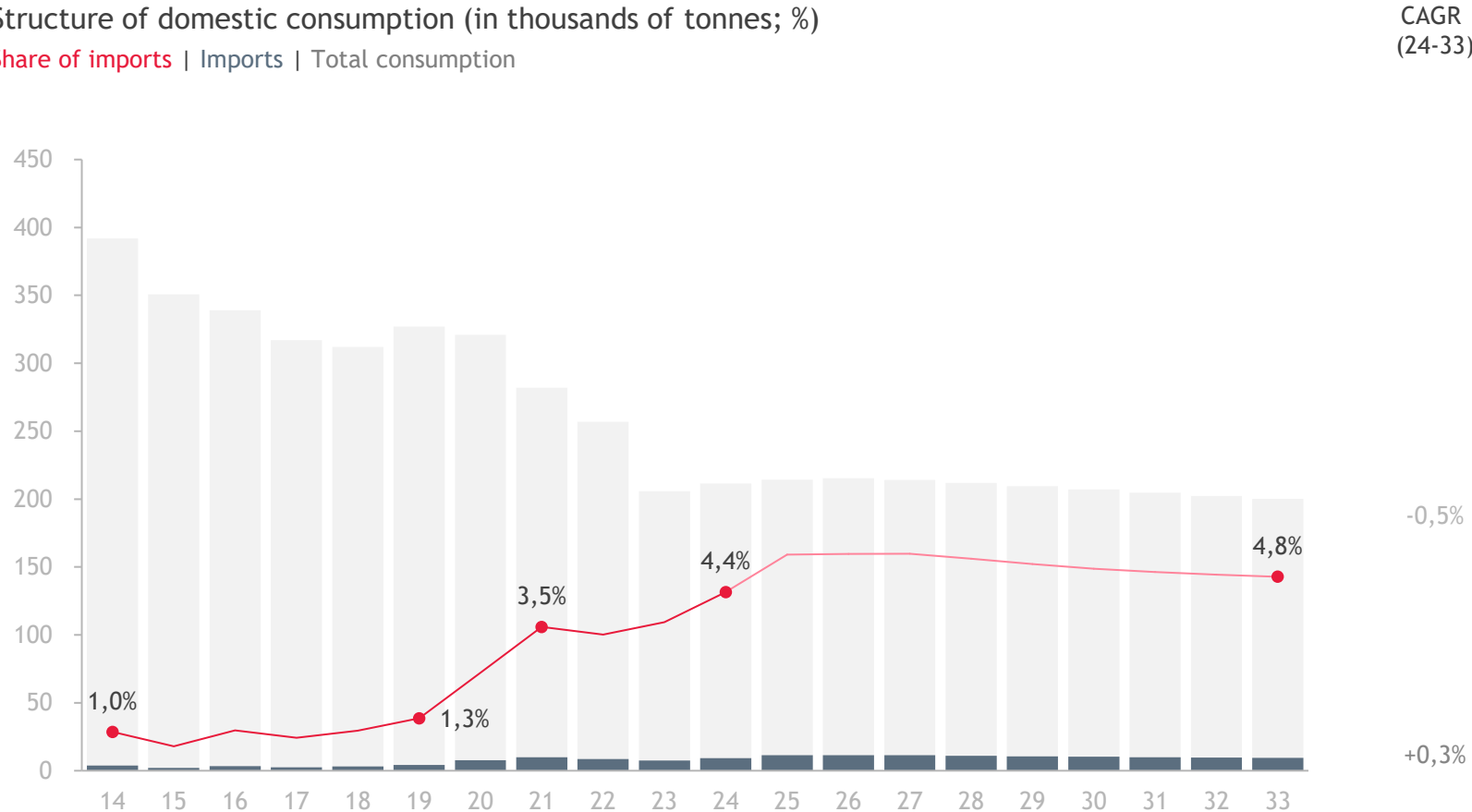


- ▶ In 2014, annual beef consumption amounted to 392 thousand tonnes, but by 2024, it had fallen to 211 thousand tonnes, and by 2033, it is forecast to fall even lower, to 200 thousand tonnes. This indicates a steady decline in demand for beef products.
- ▶ The most sharp decline in consumption occurred from 312 thousand tonnes in 2019 to 206 thousand tonnes according to the results of 2023. The reasons could be a decrease in the population's purchasing power, migration, and changes in the structure of nutrition.
- ▶ After the decline, indicators stabilised at 200-211 thousand tonnes, indicating an approach to a new balanced level of domestic demand, whereby the market remains active but on a smaller scale.
- ▶ CAGR at -0.5% for the period 2024-2033 confirms a weak trend towards a further, albeit slow, decline in consumption in the long term.

Growth in the share of imported beef indicates a decline in domestic production: Ukraine is gradually transitioning to a mixed model of demand satisfaction.

Structure of domestic consumption (in thousands of tonnes; %)

Share of imports | Imports | Total consumption

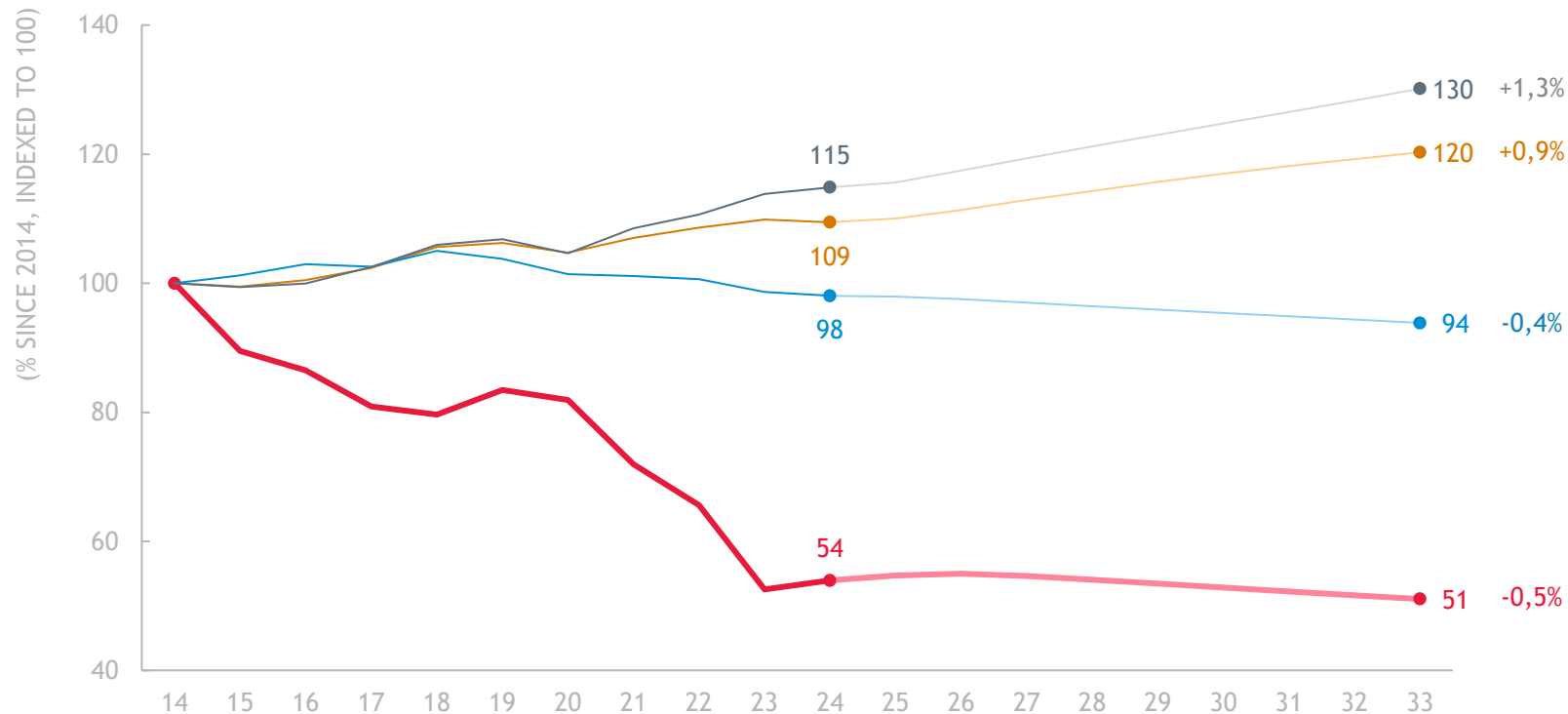


- ▶ The share of beef imports in total consumption is gradually increasing from 1% in 2014 to 4.8% in 2033. Although this growth is moderate, but it indicates a decline in the country's self-sufficiency.
- ▶ Since 2021, there has been a noticeable increase in the share of imports: from 1.3% in 2019 to 3.5% in 2021 and to 4.4% in 2024. This is due to a sharp decline in domestic production and the need to cover the deficit.
- ▶ According to the estimates, in the period 2025-2033, the share of imports will stabilise at 4.8%, which may indicate that imports are becoming an established tool for balancing the market. Although the growth rate of the share of imports is low, it is stable. This confirms that external supplies should become a strategic element in meeting domestic demand.

One of **the fastest declines in beef consumption** in the world has been recorded in Ukraine: a twofold decrease over two decades contrasts with global demand growth.

Growth rate of annual consumption
Ukraine | World | EU | Developing countries

CAGR
(24-33)

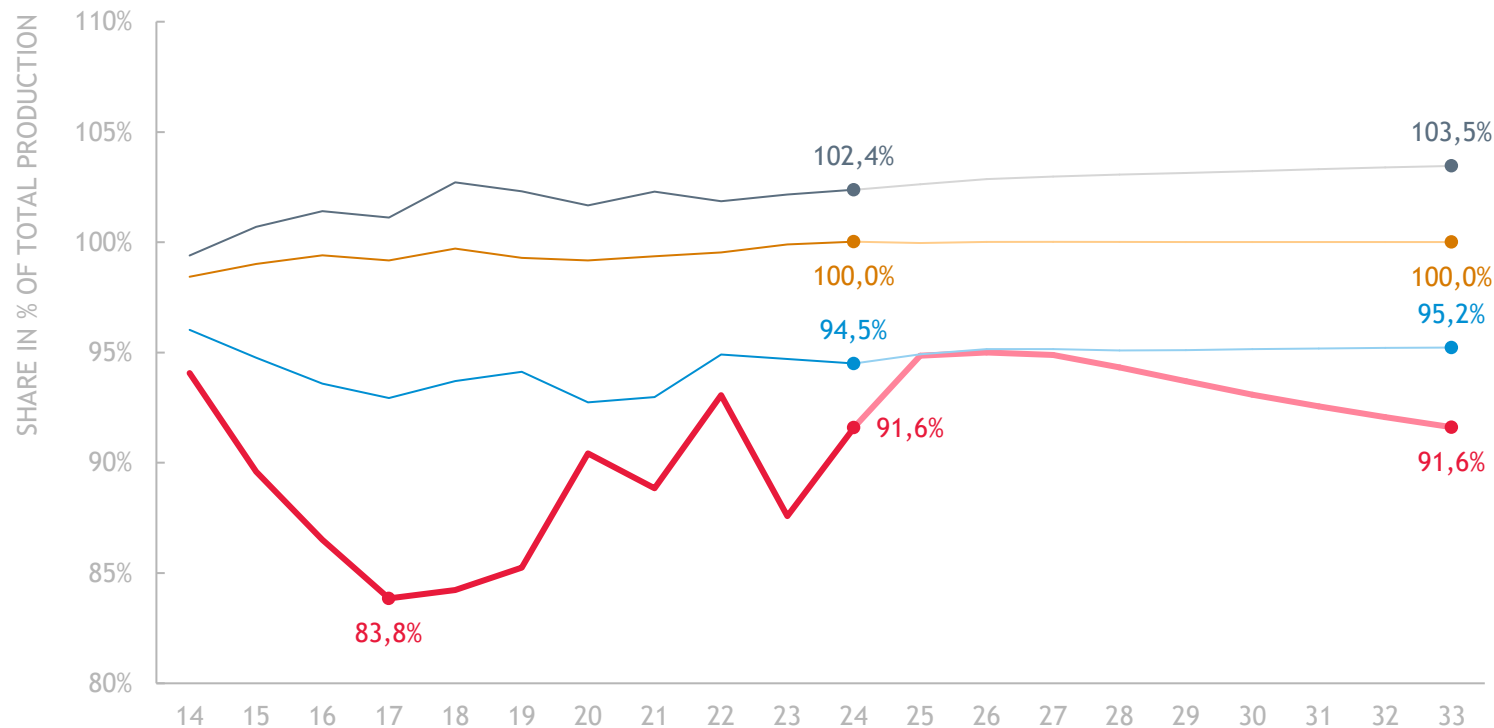


- ▶ The beef consumption index in Ukraine will decline from a baseline of 100% in 2014 to only 51% in 2033. This indicates a significant decline in demand for beef among the population. The negative trend over the decade points to a steady decline in consumption, even despite periods of slight stabilisation.
- ▶ Global consumption during the same period will grow to 120% (+0.9% CAGR), and in developing countries – to 130% (+1.3% CAGR). Thus, Ukraine is demonstrating the opposite trajectory.
- ▶ The EU index is declining more slowly (to 94% according to 2033 estimates (-0.4% CAGR), indicating a general slowdown in demand across Europe, although not as critical as in Ukraine.

Share of domestic beef consumption in Ukraine is still lower than the global level: the trend indicates a risk of a decline in self-sufficiency in meat in the long term.

Dynamics of annual consumption

Ukraine | World | EU | Developing countries

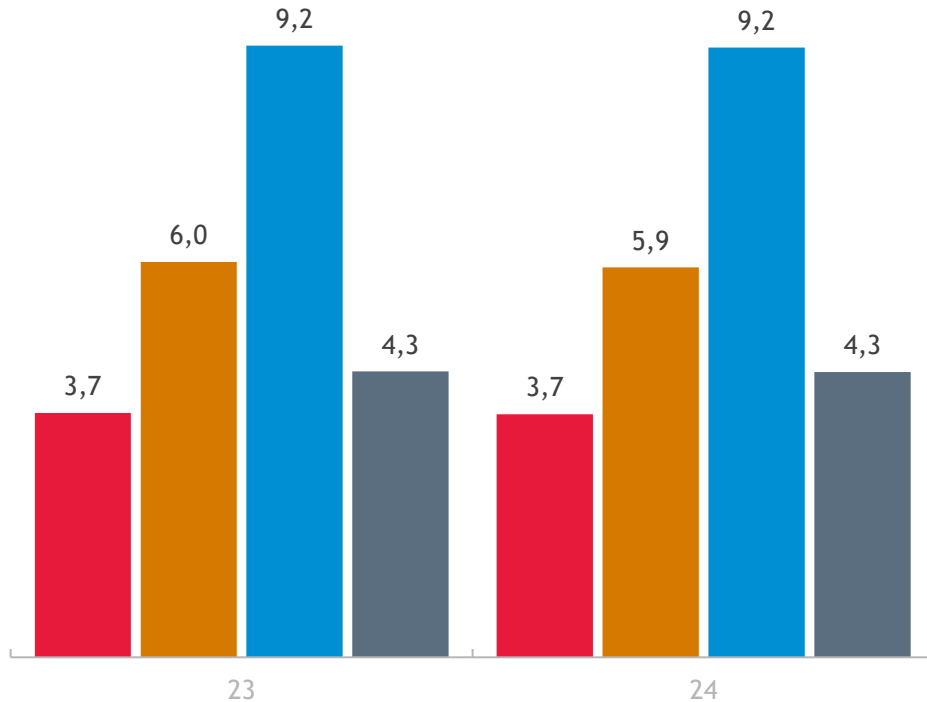


- ▶ From 2014 to 2017, the **share of domestic consumption** in Ukraine fell from approximately 94% to a low of 83.8%. This indicates a decline in demand or active export operations against the backdrop of a decline in overall production.
- ▶ In 2020-2023, there was an **increase** in the **share of consumption**, which may be related to market instability, changes in export and import policies, or demand from the manufacturing industry. In 2024, the **share of domestic consumption stabilised** at 91.6%, but the further forecast dynamics against the backdrop of a stable global level (100%) indicate a potential loss of self-sufficiency.
- ▶ While consumption in developing countries exceeds 100 (103.5%) and remains at 100% globally, Ukraine's figures will remain lower until 2033.

Beef consumption in Ukraine is 2.5 times lower than the global average, indicating limited purchasing power among the population and risks to the availability of meat products.

Annual consumption (in kilograms per person)

Ukraine | World | EU | Developing countries



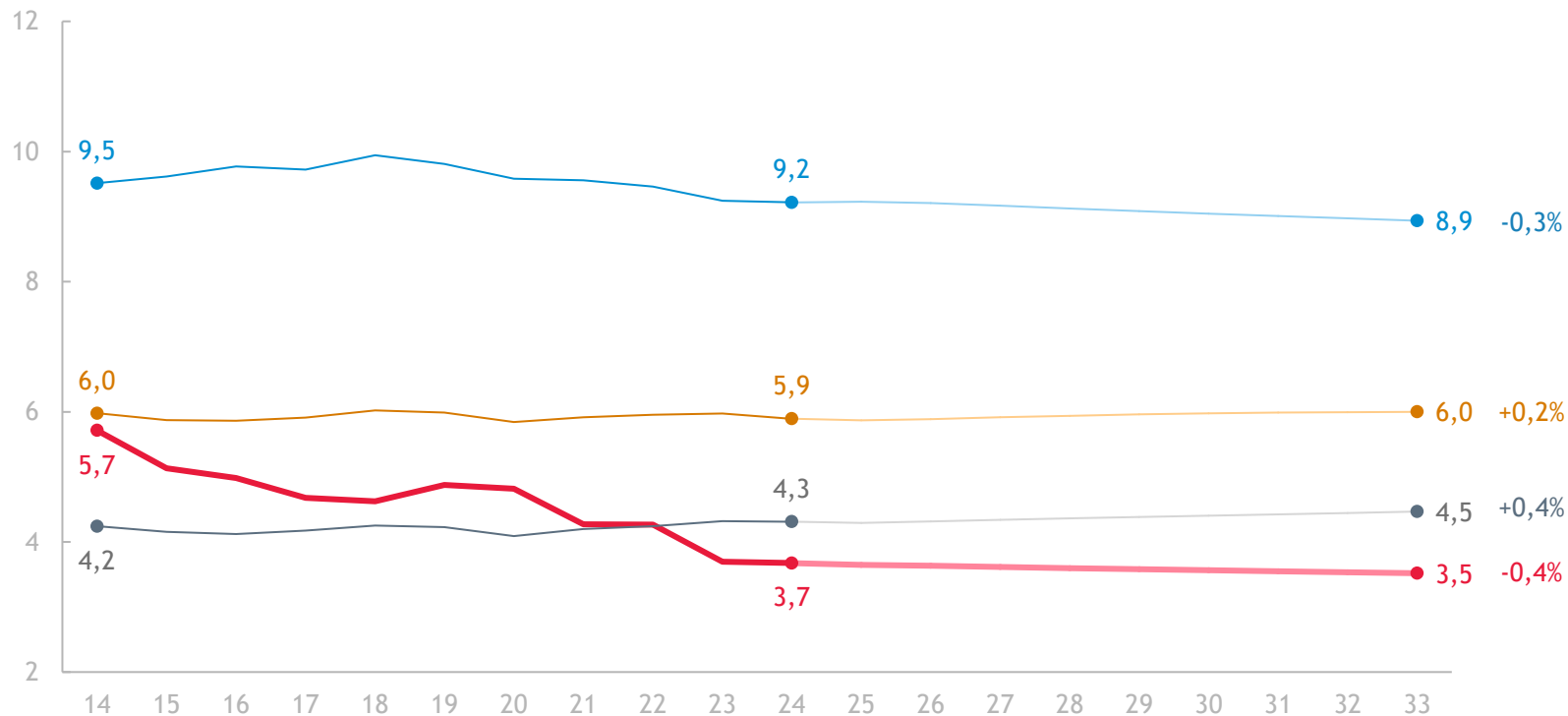
- ▶ **Ukraine** consistently demonstrates the lowest level of beef consumption — only 3.7 kilograms per person in 2023 and 2024. This is approximately 2.5 times less than the world average.
- ▶ **Global consumption** of beef decreased from 6.0 kilograms per person in 2023 to 5.9 kilograms in 2024.
- ▶ In **EU** countries, beef consumption stands at 9.2 kilograms per person. This indicates high purchasing power and strong traditions of meat consumption.
- ▶ In **developing countries**, beef consumption is 4.3 kilograms per person, which is almost 16% higher than in **Ukraine**. This is an alarming sign for the quality of nutrition in Ukraine against the backdrop of less developed economies.

Beef consumption in Ukraine is declining amid global stability: in 2033, it will be 42% lower than the global average and 60% lower than in EU countries.

Dynamics of annual consumption (in kilograms per person)

Ukraine | World | EU | Developing countries

CAGR
(24-33)



- ▶ In Ukraine, **beef consumption** per person will **decrease** from 5.7 kilograms per person per year in 2014 to 3.5 kilograms by the end of 2033. This trend indicates a significant **reduction in the availability or purchasing power** of this type of meat. Even in 2014, Ukrainian consumption was below the global average, and by 2033, the gap will only deepen.
- ▶ The European Union is showing consistently **high consumption** – 9.5 kilograms per person per year in 2014 and 8.9 kilograms by 2033, despite a slight decline (-0.3% CAGR), which is explained by changes in food preferences, but not in the economy.
- ▶ In developing countries, **consumption of beef is even growing** from 4.2 to 4.5 kilograms per person per year (CAGR +0.4%), and from 2022 surpasses Ukraine, demonstrating structural shifts in food policy.



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