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Dairy industry



DAIRY INDUSTRY

About 4-5% of the world dairy products are exported from Belarus

Belarus remains to be a recognized leader in the international trade of dairy products. The share of 4-5% on the international market of dairy products has remained stable. The most exported products are powdered milk, butter and cheese. According to the Milk Market Observatory, Belarus maintains its position among the TOP-10 countries in the cheese and powdered milk trade (fifth place) as well as displaces the USA, taking the third place in butter exports.

Total production of Belarusian dairy products in 2015 has made up to 1.966 million tons

Production volumes of raw milk in Belarus have increased compared to 2014 by 5.1% and in 2015 reached 7.044 mn tons. Total production of Belarusian dairy products in 2015 amounted to 1.966 mn tons, which is 3.4% more than in 2014. Production volumes of butter in 2015 reached 113.3 thousand tons (growth rate of 106.5% YoY). Cheese production reached (growth rate of 107.9% in 2014). According to the "Development program of the dairy industry for 2016-2020", total production of raw milk should be increased to 9.2 mn tons by 2020.

In 2015, per capita consumption of dairy products was 107 kg.

Product range on the market of Belarus has more than 1000 items. More than 32% of domestic dairy products are sold on the domestic market. Population of Belarus spends about 8% of total consumer spending on dairy products. However, in 2015 there was a decrease in consumption by 3.5% to 107 kg per person. Market capacity also decreased by 4% in 2015 and amounted to 1012 thousand tons.

Since 2015 government regulation of prices for dairy products has been canceled gradually

Since 2015, the government regulation of prices for livestock products has been canceled gradually. In accordance with the Resolution of the Ministry of Agriculture and Food dd November 11, 2015 № 38 "On the Repeal of certain decisions of the Ministry of Agriculture and Food of the Republic of Belarus" from November 22, 2015 decisions that set prices for livestock products, purchased for the state needs, are invalidated. Thereby the purchase prices for milk and cattle "were released." Market participants have the right to regulate prices in the conditions of free trade and market competition by themselves.

There are more than 40 dairy processing enterprises in Belarus

More than 40 enterprises are engaged in the processing of milk. The largest enterprises of the sector are JSC «Savushkin product», Holding «Mogilyov dairy company «Babushkina Krynka», OJSC «Milk Products», Volkovysk JSC «Bellakt», Vitebsk OJSC «Milk», OJSC «Berioza cheese-producing plant», OJSC «Slutsk Cheese Factory», OJSC «Glubokoe DCF».

Concentration of enterprises is one of the main trends in the sector

Nowadays there is a trend towards concentration of enterprises in the dairy industry. Moreover, the government is increasing its share in the industry by purchasing of shares from private individuals, by accession state-controlled small and unprofitable companies to the bigger and more efficient operating ones, and by transferring shares from collective farms to the state.

The state has drawn the agriculture development program of the Republic of Belarus for 2016-2020

The dynamics of the dairy sector are reflected in the subsection of the subprogram "Development of livestock, processing and marketing of livestock products." According to the program, by 2020 the gross volume of milk production is expected to reach 9.2 million tons. The volume of processed milk is expected to grow by 31% and amounted to 8740 thousand tons. The volume of cheese production is expected to increase by 30%, butter - by 32%, milk powder - by 56%, dairy products - by 39%. For the program development in 2016-2020 it is planned to spend 20 956.3 billion rubles, including credit resources; it is planned to involve 18 593.2 billion rubles from the republican budget - 282.8 billion rubles and 2.0803 billion rubles from local budgets.

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