BULLETIN

11 November 2025

TRENDS IN EXPORT OF UKRAINIAN DAIRY, 2025
DAIRY TRADE WITH UAE AND UZBEKISTAN

Special information bulletin produced by Infagro analytical agency in the frame of the set of expert discussions for dairy exports support and promotion during the war infagro

General trends

Dynamics, structure, geography

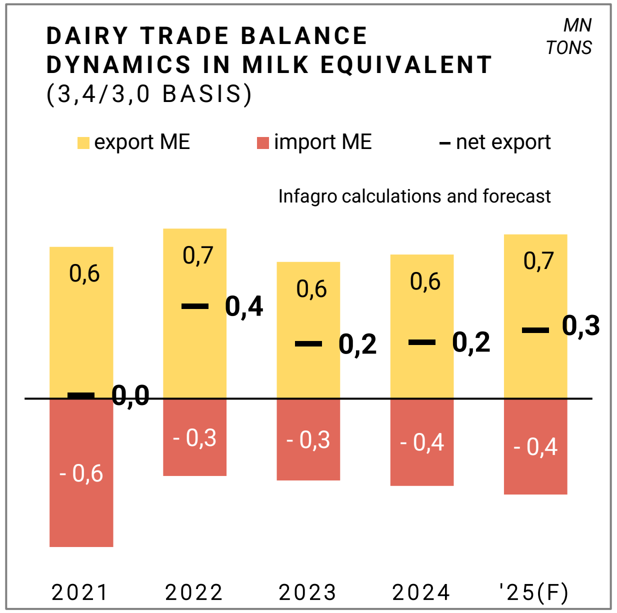
Since 2022, the balance of foreign trade in dairy products has undergone a noticeable shift in Ukraine, primarily due to the impact of the full-scale war. Before the war, there had been a steady trend towards a decline in exports and an increase in imports of dairy goods. However, in recent years, despite a notable reduction in milk production, exports of dairy products have at least remained at pre-war levels, while imports have decreased considerably. Net exports now fluctuate within a range of 0.2–0.4 million tons in milk equivalent. However, the reason for this lies in the decline of domestic consumption due to the demographic crisis.

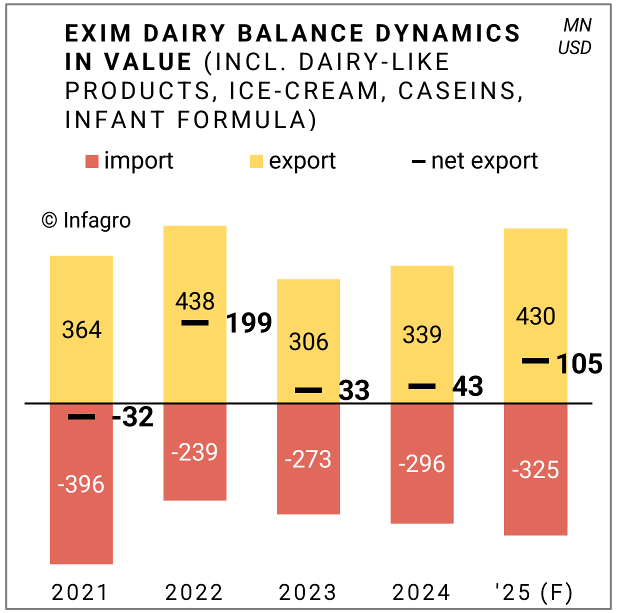
There was a surge in exports in 2022. In 2025, a new wave of growth in foreign sales is expected, reaching approximately 0.7 million tons. Such a forecast can be made based on an increase in the supply of raw materials for processing, accompanied by a limited rise in the consumption of individual categories of dairy products.

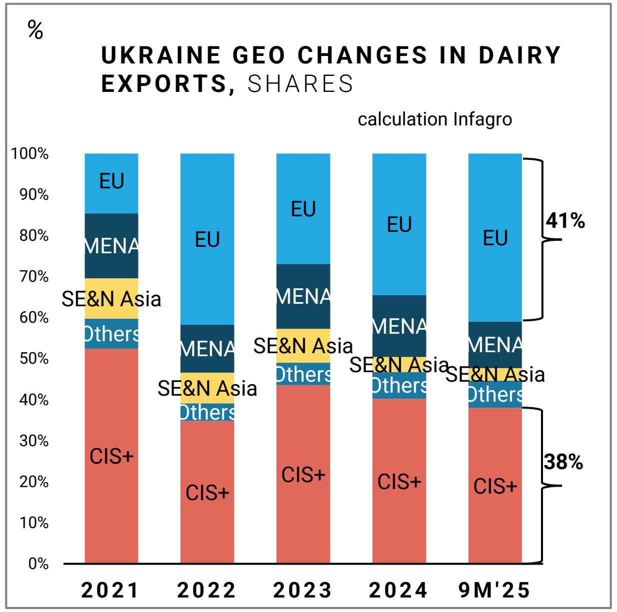
At the same time, imports are also projected to grow, reaching up to 0.4 million tons, primarily due to an increase in cheese imports. Nevertheless, even under such conditions, in 2025 exports will exceed imports by 0.3 million tons (in milk equivalent). In monetary terms, net exports will amount to approximately $105 million, which is a positive result, although it is nearly half the figure in 2022, primarily due to an increase in cheese imports. A crucial factor in the growth of exports was the reorientation of the geography of external supplies.

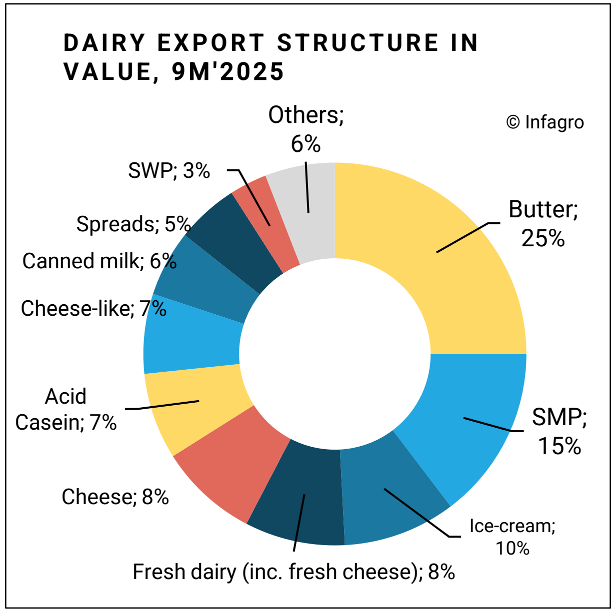
Until 2022, more than half of exports went to post-Soviet countries, while sales to the European Union were limited mainly to technical casein, butter and powdered milk in small volumes. However, in recent years, the share of exports to EU countries has increased significantly, and according to the results for the first nine months of 2025, it accounts for 41% of the total export volume in monetary terms. It was achieved solely thanks to the European Commission's introduction of the “visa-free trade” regime for Ukrainian goods, which was in effect from June 5, 2022, to June 5, 2025. After the end of this regime, import quotas were restored. However, a new agreement between Ukraine and the EU came into effect in November 2025. According to it, the volumes of duty-free quotas were significantly increased, and trade was liberalised entirely for some commodity items.

The basis of exports so far is exchange-traded dairy products. In the current year (three quarters), a quarter of revenue came from the sale of butter. Sales of fresh dairy products and cheese are also growing.









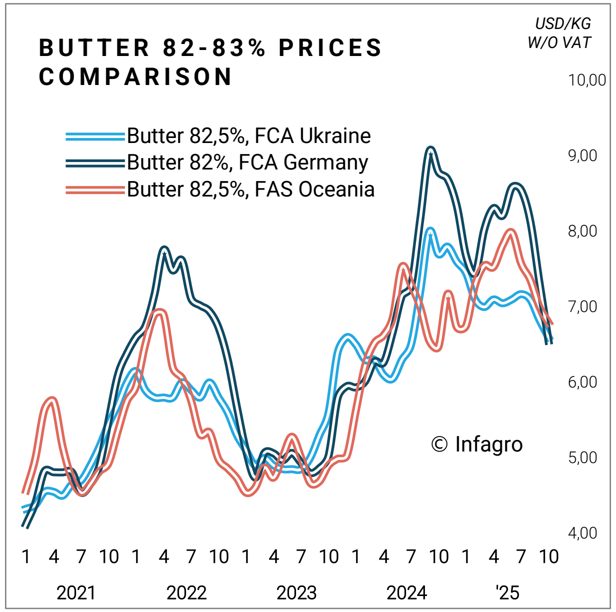
Price volatility impact on global trade

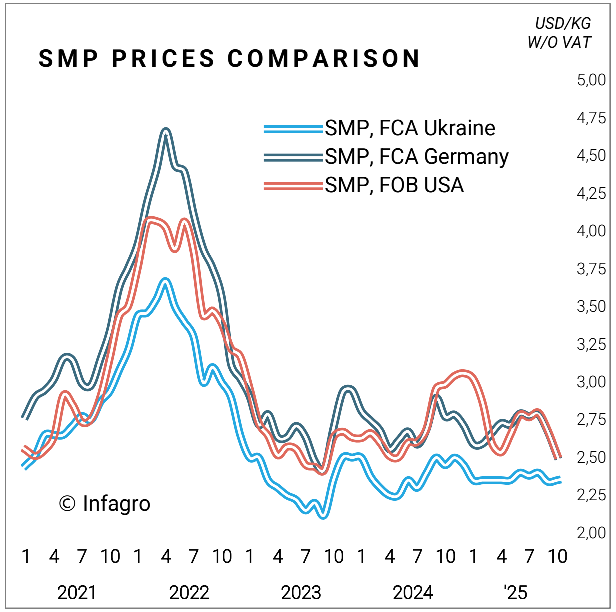
Global trade in dairy products is characterised by an inevitable price cyclicality, which is manifested through fluctuations in stock market quotes with a frequency of several years. Various economic, geopolitical and other factors influence the formation of such cycles. In 2020–2021, minimum price levels were observed for the main types of dairy products, which were due to the consequences of the COVID-19 pandemic. Following the gradual recovery from the pandemic crisis, prices for dairy products increased sharply in 2022, driven by pent-up demand, reaching record levels. Such market conditions became favourable for Ukrainian producers: profitable foreign trade allowed most enterprises to stay afloat in the first year of a full-scale war.

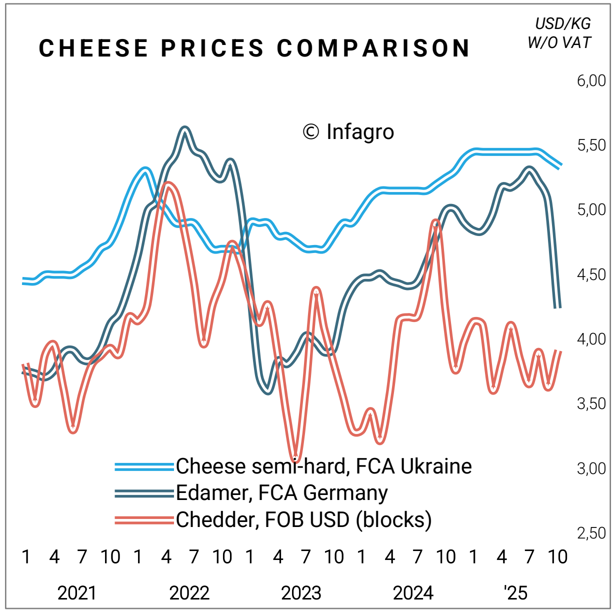
During 2022, the markets turned out to be “overheated”, and consumers were not ready for such high prices. In 2023, prices for dairy products fell again on global markets. An inevitable revival of world trade has been underway since 2024, driven by the resumption of imports by Asian and MENA countries. Prices in Europe have grown especially rapidly: in the fall of 2024, the cost of butter reached a record $9,000 per ton. In the second half of the same year, an increase in prices for cheese and whey powder was also recorded.

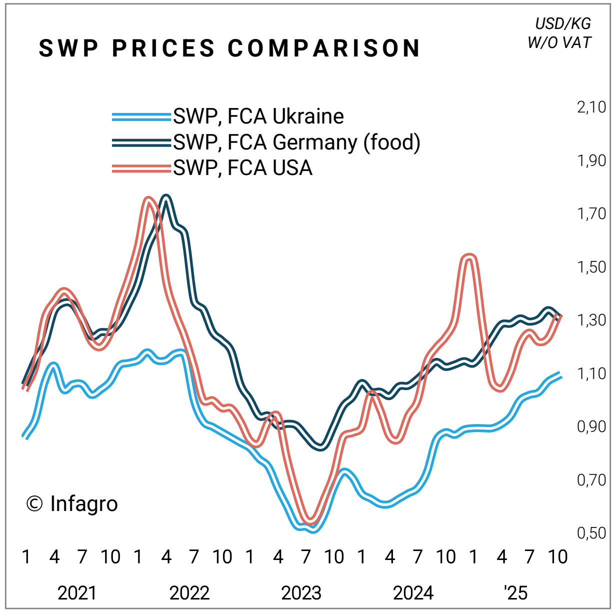
At the beginning of 2025, world prices for dairy products decreased slightly; however, a new upward trend emerged in the spring, which lasted until the start of autumn. In September and October, prices for most dairy products experienced a sharp decline. The main reason was the excess supply of products on global markets, resulting from increased milk production in the leading exporting countries, including the EU, the USA, and New Zealand. The Ukrainian market, as an integral part of the global trading system, responds to international price fluctuations, particularly for goods with a high export share. Due to active supplies of butter to EU countries, domestic prices for this product remained relatively high in both the fall of 2024 and the second and third quarters of 2025. Export prices for whey powder in 2025 were almost double those of 2023. At the same time, prices for milk powder remained relatively stable, which aligns with global trends. However, since the beginning of the fall of 2025, in Ukraine, as in global markets, there has been a noticeable decrease in export prices for most dairy products, almost below the break-even point.

Currently, there are no apparent signs of a resumption of the upward price trend. According to preliminary forecasts, market stabilisation and a gradual price increase may not occur until 2026.









United Arab Emirates

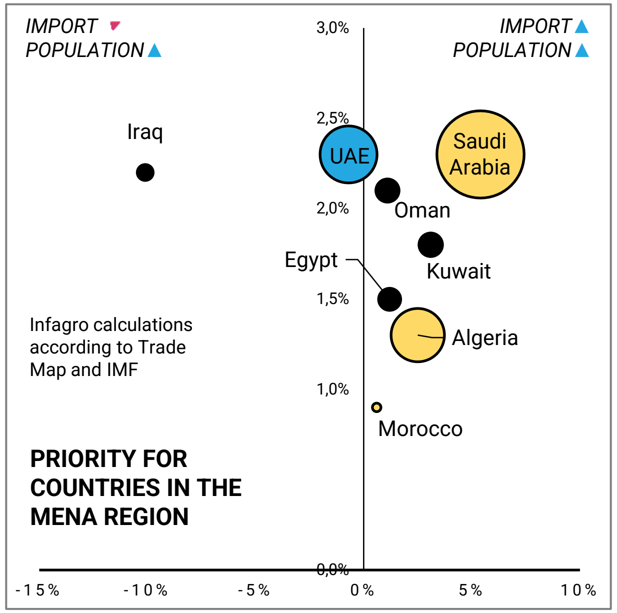
The MENA countries appear promising for both local dairy producers and global exporters. The population in the region is growing and is approaching 550 million people. Many countries have a relatively high GDP. Per capita consumption of dairy products is much higher than in Africa and Asia as a whole.

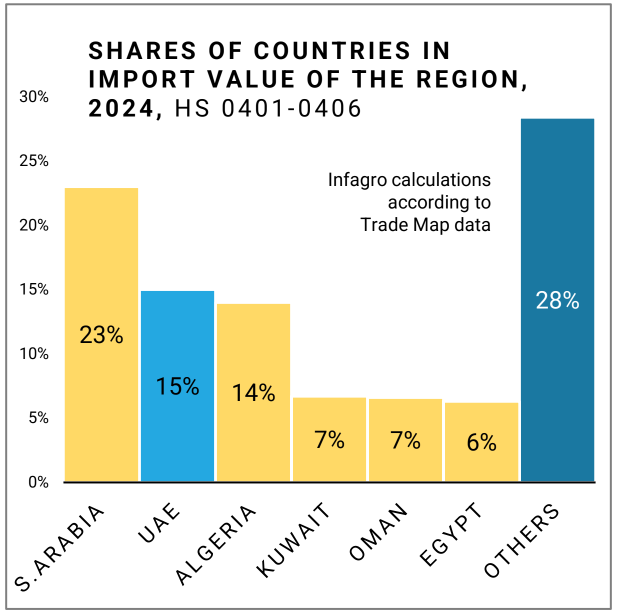
The United Arab Emirates is one of the wealthiest countries in the region, with a GDP per capita exceeding $50,000. However, the country's population is relatively small (10.2 million people), and per capita consumption of dairy products is only about 160 kg per year. The country's own milk production is limited, so imports of both raw milk and finished dairy products are pretty significant.

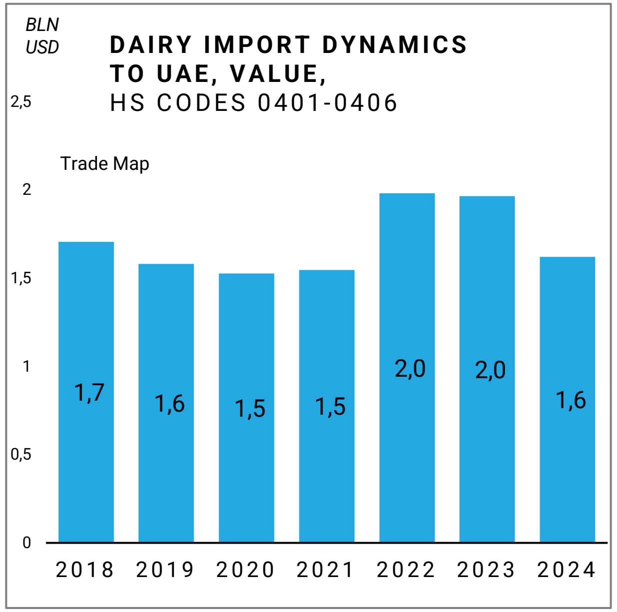
Approximately 15% of all dairy imports to the MENA countries are directed to the UAE. Only Saudi Arabia, with a population three times larger, imports more dairy products in the region. In fact, for each average resident of the UAE, about $170 worth of dairy products is purchased abroad each year.

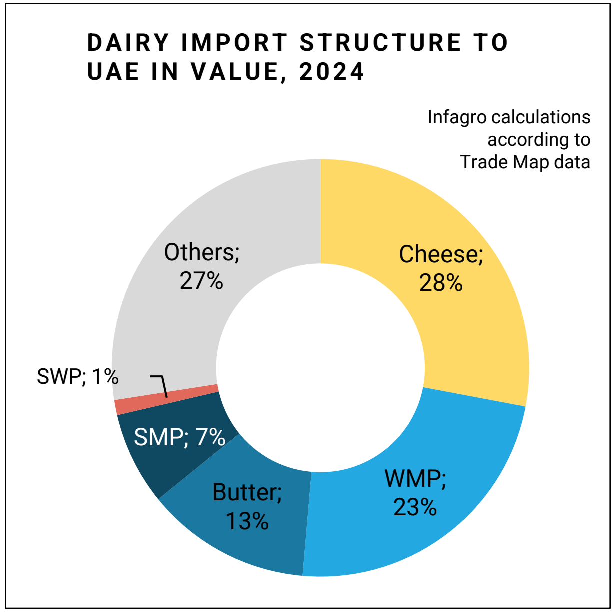
Unlike most other countries in the region, the UAE's imports are based on higher value-added dairy products. In 2024, cheese accounted for 28% of the UAE's total dairy import value. The country also actively purchases whole milk powder (up to 200 thousand tons per year) for its own dairy production. Only China and Algeria purchase more of this product. The UAE is also a significant global importer of butter, purchasing approximately 35,000 tons annually. Even imports of fresh dairy products remain quite significant, despite the complex and expensive logistics.

Ukraine's share in the supply of dairy products to the United Arab Emirates remains small. Ukrainian exporters supply this country with dairy products worth no more than $3 million per year. The main products supplied are butter, spreads and fresh dairy products, as well as powdered milk, whey, ice cream and small amounts of cheese. However, in the future, Ukrainian dairy producers have the opportunity to increase their exports to the UAE significantly. After all, Ukraine and the United Arab Emirates signed an Agreement on Comprehensive Economic Partnership in 2025. The most promising options for increasing supplies in the near future are whole milk powder and butter. Later, supplies of more marginal items, such as cheeses, fresh dairy products, and ice cream, are expected to increase.









Central Asia

Uzbekistan

The post-Soviet countries of Central Asia and the Caucasus are home to over 95 million people. Milk consumption in the region is generally relatively high, although official statistics on milk production may be inaccurate or incomplete. Not all countries meet their dairy product needs through their own production. The limited purchasing power of the population in most countries of the region also remains a significant constraint on market development.

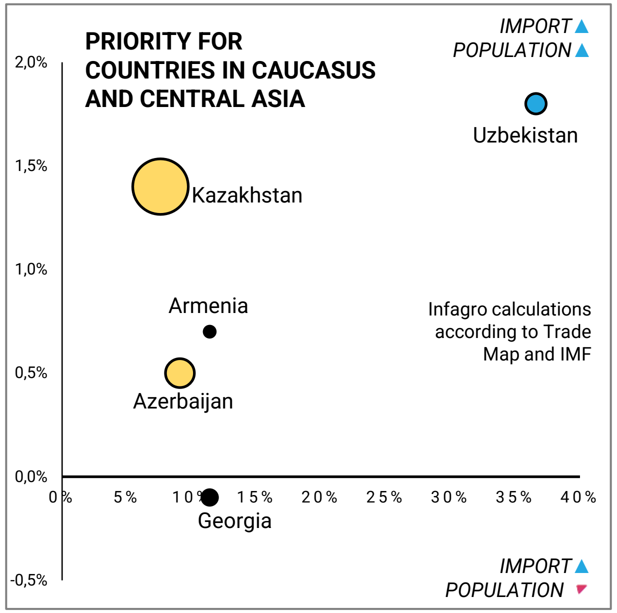
About 38% of the region's population (approximately 37 million people) lives in Uzbekistan, making it potentially the largest consumer market, including for dairy products. The country's economy has not yet reached a level sufficient for high purchasing power, with a GDP per capita of approximately $3,000. This limits the consumption of expensive dairy products. However, in recent years, stable economic growth has been observed, contributing to the gradual expansion of the middle class and an increase in demand for high-quality food products.

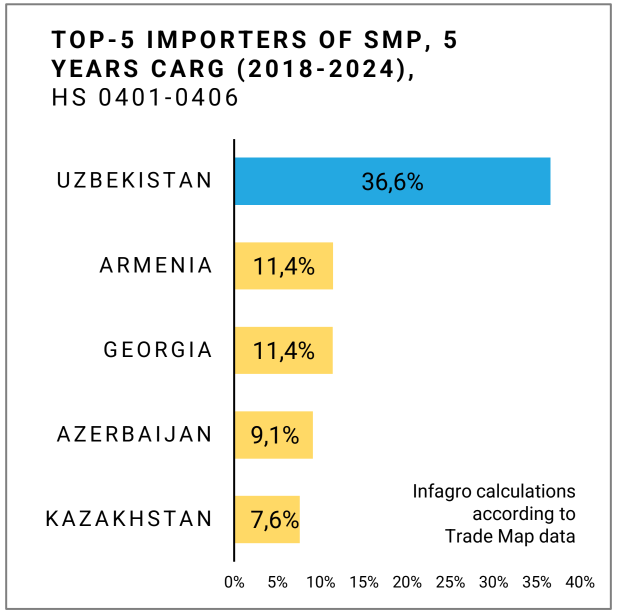
A notable indicator of the population's growing well-being is the rapid increase in dairy product imports. Uzbekistan shows the highest growth rates of foreign purchases among the countries of the Caucasus and Central Asia. The average annual growth rate of imports (CAGR) over the past seven years is 36.6%.

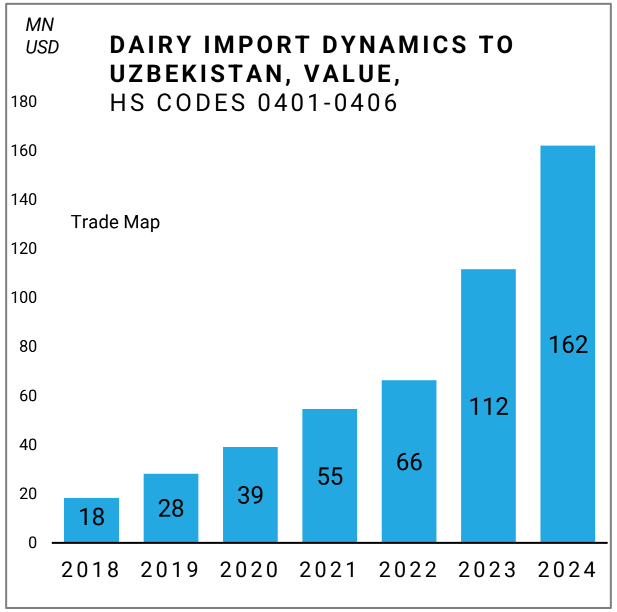
Over the period from 2018 to 2024, imports of dairy products into Uzbekistan increased ninefold, reaching $162 million. This accounts for approximately 15% of the region's total dairy imports, ranking second only to Kazakhstan and Azerbaijan. In the import structure, the largest share is occupied by cheese and butter, i.e. products with the highest added value. In 2024, imports of various types of cheese were approximately $60 million, which is four times more than in 2017. Imports of butter during this period increased approximately twofold, reaching $38 million in 2024.

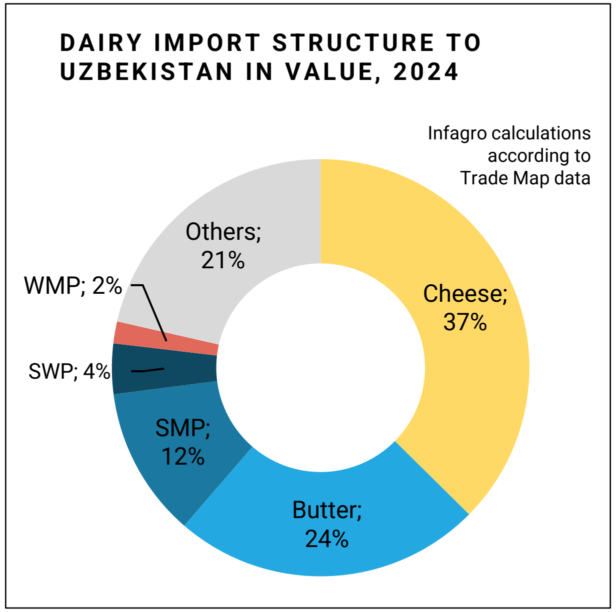
Additionally, a significant portion of imports consists of skim milk powder, whey powder, milk, and fresh dairy products. Ukrainian suppliers are also present on the Uzbek market; however, export volumes remain relatively small. The war has significantly complicated and increased the cost of logistics, making the supply of inexpensive goods unprofitable.

Until 2022, Ukrainian enterprises had been actively exporting spreads, dairy canned goods, and cheese products to Uzbekistan. Currently, given the high logistics costs, it remains economically feasible to supply cheese, butter, baby food, and certain niche products with higher margins.









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These activities are carried out jointly with the state institution The Entrepreneurship and Export Promotion Office and the analytical agency Infagro within the framework of the Swiss-Ukrainian Programme “Higher Value Added Trade from the Organic and Dairy Sector in Ukraine” (QFTP) implemented by the Research Institute of Organic Agriculture (FiBL, Switzerland) in partnership with SAFOSO AG (Switzerland), www.qftp.org.

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