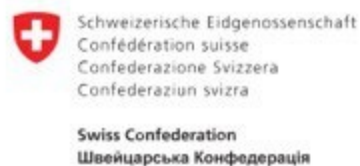


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Дія Бізнес

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TRENDS IN EXPORT OF UKRAINIAN DAIRY PRODUCTS IN 2025

A special information and analytical bulletin prepared by the Infagro agency as part of a series of expert meetings on supporting and promoting the export of dairy products in wartime conditions

Dynamics. Structure. Geography

The full-scale invasion of the Russian Federation caused drastic changes in the dairy balances in Ukraine. Due to the demographic crisis, particularly forced migration and territorial occupation, the country's consumption of dairy products has significantly decreased. At the same time, the improvement in raw milk production costs over the past three years has become a prerequisite for increasing the supply of raw milk for industrial processing. Given the limited sales of dairy products in Ukraine, enterprises are forced to reorient toward foreign markets and adapt their products for export.

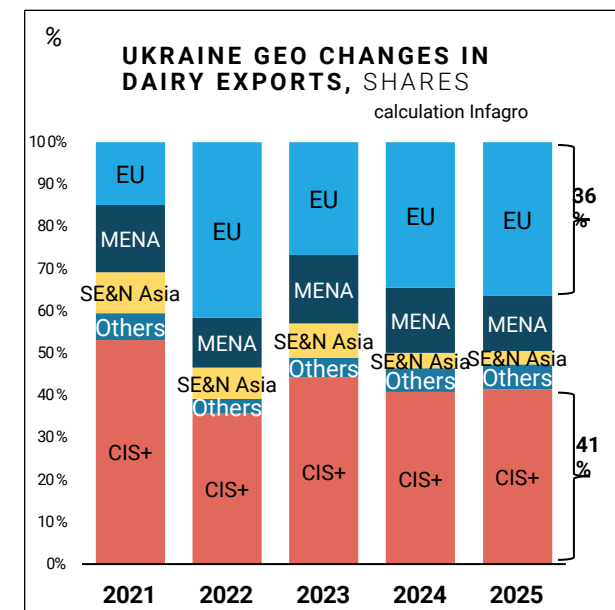
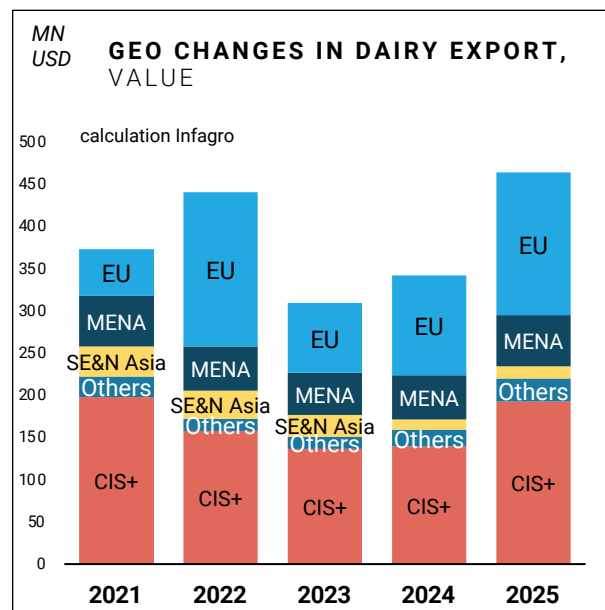
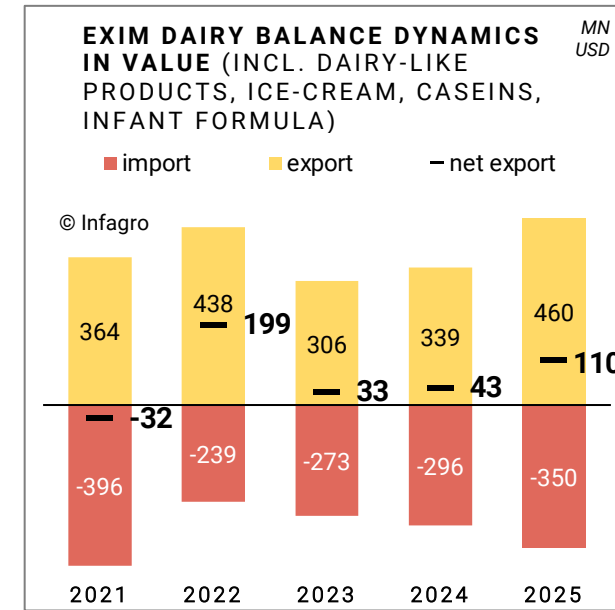
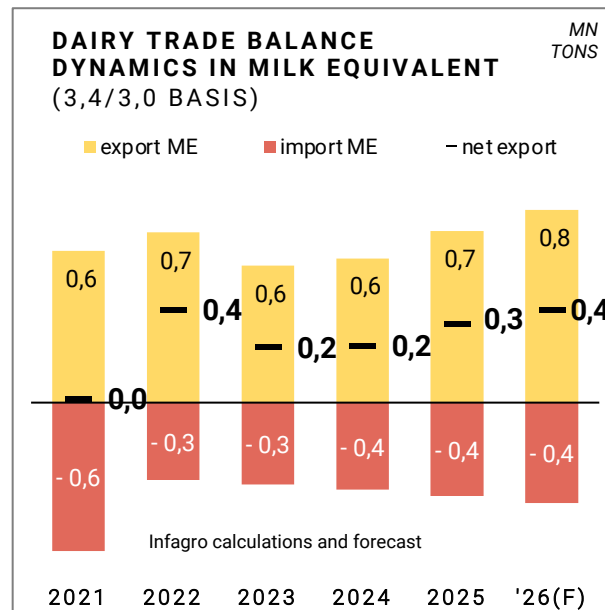
According to the 2025 results, exports of dairy products in raw milk equivalent increased by 19% to more than 0.7 million tons, accounting for approximately 20% of all raw milk received for processing. It was the highest figure in the last seven years, exceeding the 2022 high, which was set during the active phase of the full-scale invasion. Thanks to the favourable price situation for butter and the growth in the share of sales of value-added goods, exports of dairy products in monetary terms increased by 35% last year, to 460 million USD.

The growth in export indicators last year was due, in particular, to an increase in imports, primarily of cheeses. In milk equivalent, the total volume of dairy product imports rose by 7% from 2024, reaching nearly 0.4 million tons. Importers spent about 350 million USD on purchasing products abroad last year.

Compared with the milk equivalent, the positive foreign trade balance, in value terms, remains insignificant, while its growth has more than doubled since 2024.

In 2026, dairy exports will continue to grow, at least in milk-equivalent terms, as the supply of raw milk for industrial processing increases and the growth rate of dairy product consumption has slowed significantly. According to preliminary forecasts, dairy product exports this year may increase to 0.8 million tons in milk equivalent. At the same time, in monetary terms, export growth may not happen due to a deterioration in the global price environment.

The increase in dairy product exports was facilitated by the ability to deliver to EU countries. Even with the restoration of import quotas for Ukrainian dairy products, the share of exports to the EU in 2025 was 36% in monetary terms. The EU market is gradually displacing trade with post-Soviet countries, whose share remains significant (at the same time, if we consider Moldova a future EU member, the EU's share will be dominant). Supplies of Ukrainian dairy products to MENA countries are also substantial, but shipments to Asian countries are not yet possible due to security restrictions and the high cost of logistics, including risk insurance.

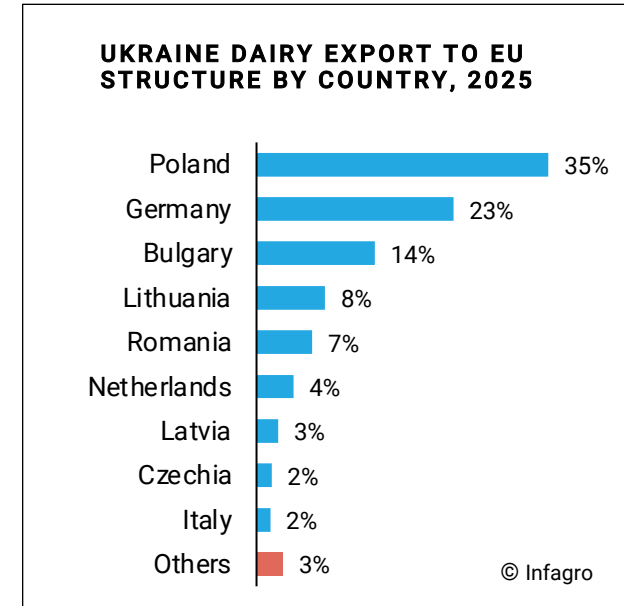
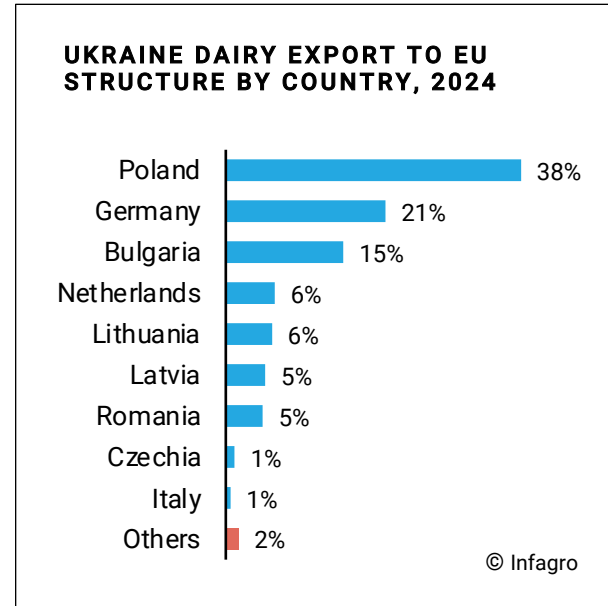
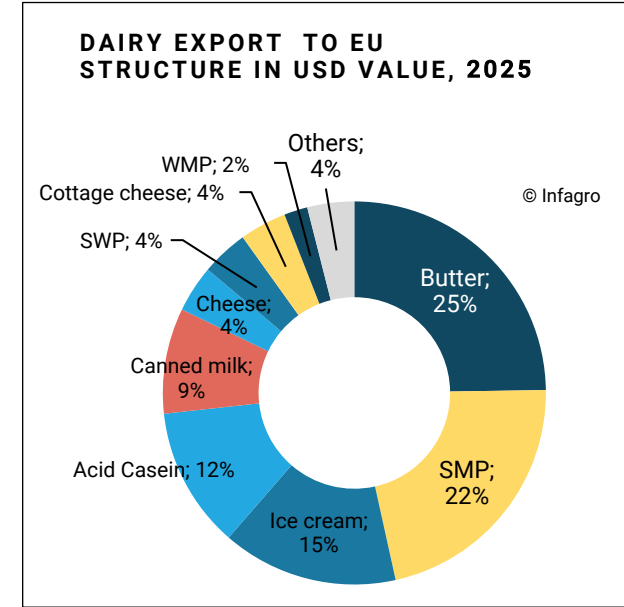
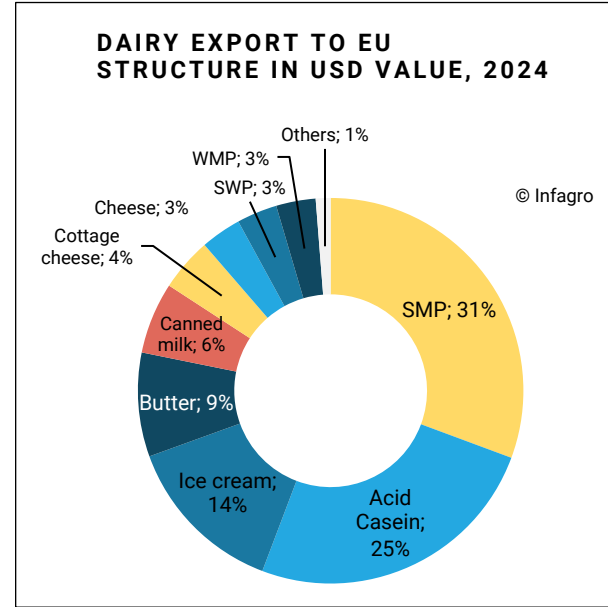


Exports to the EU

It should be recalled that, from June 5, 2022, the European Commission introduced a regime of autonomous trade preferences (ATP), which abolished all quotas and duties on imports of goods from Ukraine into the EU. This regime was extended annually until June 5, 2025, after which quotas on imports of Ukrainian dairy products were restored. However, in the fall, the Ukrainian government reached new agreements with the European Commission that provide for a significant increase in quotas. In accordance with the updated trade provisions, which entered into force at the end of October 2025, in 2026, Ukrainian exporters will be able to supply the EU annually with 15 thousand tons of milk and condensed milk, 15 thousand tons of skimmed milk powder, and 7 thousand tons of butter duty-free. These quotas are distributed over six months in equal parts. At the same time, whole milk powder and fermented milk products, previously subject to restrictions, were added to the list of goods not subject to quotas or licensing. The specified conditions will be valid for the next two years, after which further improvement (up to the possible complete abolition of restrictions) or deterioration of trade conditions will depend on the degree of implementation of European integration requirements. Thanks to new opportunities, in 2022 the share of Ukrainian dairy product exports to the European Union, measured in monetary terms, increased severalfold, reaching 42%. In 2023-2024, supply activity to the EU decreased due to a decline in price attractiveness and the restoration of domestic dairy product consumption. However, over the last two years, trade with the EU has been steadily growing, driven by the attractiveness of logistics and an increase in long-term contracts for finished products. The total revenue from dairy product exports to the EU in 2025 amounted to almost USD 170 million.

The key export items to the EU in both physical and value terms in 2025 were butter and skimmed milk powder, whose combined share of the total value was 47%. Separately, it should be noted that the gradual growth in dairy product deliveries to the EU includes ice cream, condensed milk, packaged butter, and fresh and processed cheeses. Their estimated share has already reached a third of the total value of the dairy trade.

Poland is the largest supplier of dairy products to Ukraine and, at the same time, one of the key importers of Ukrainian products. Traders from this country show the biggest interest in purchasing butter, powdered milk, acid casein and whey powder. The share of dairy product deliveries to Germany has increased significantly. In addition to casein, Ukrainian producers are actively increasing deliveries of finished dairy products, including condensed milk and fresh fermented cheeses. Bulgaria and Romania show the greatest interest in purchasing powdered milk and butter, while these countries are promising to increase imports of value-added products. In addition to dairy commodities, the Baltic and Central European countries may also increase purchases of Ukrainian finished products.



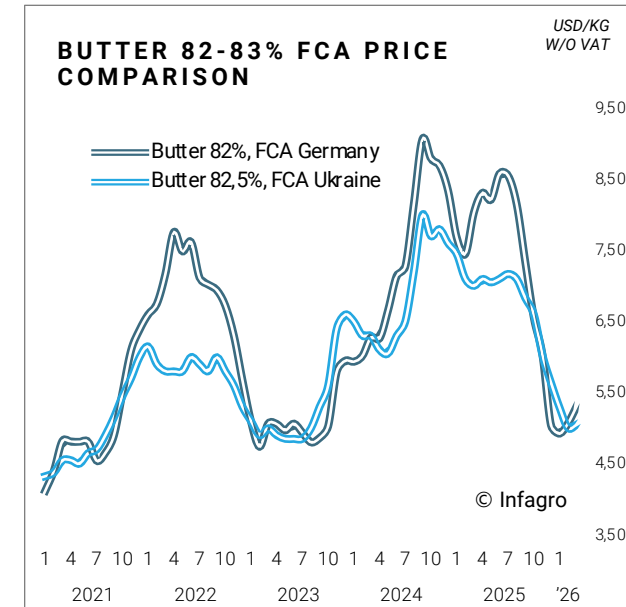
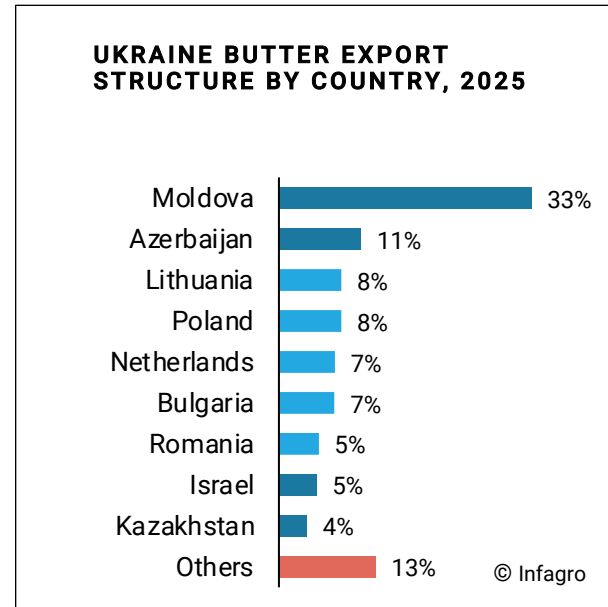
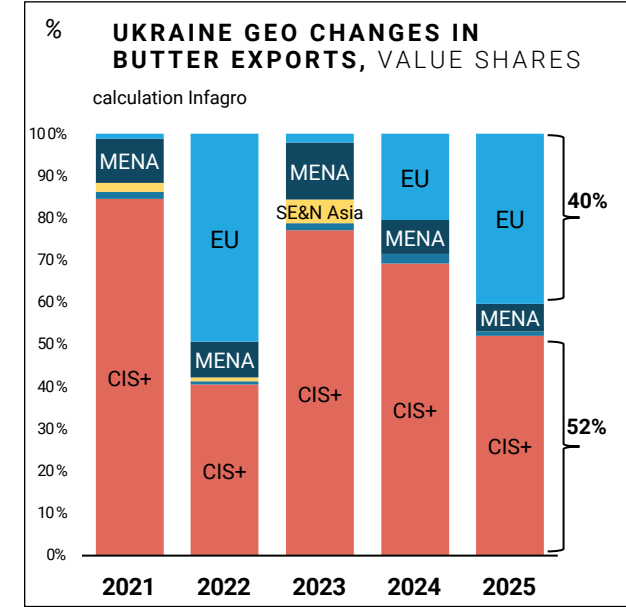
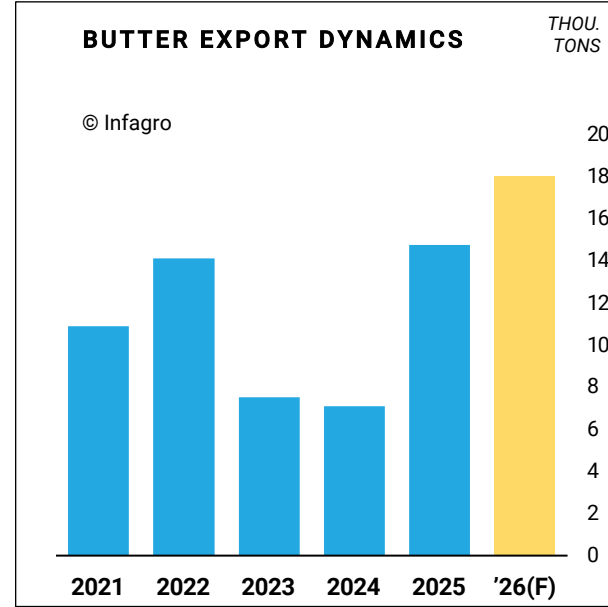
Butter

The full-scale invasion of the Russian Federation in 2022 caused a sharp drop in consumer dairy product sales in Ukraine, which necessitated the resumption of production of significant volumes of powdered milk and butter to preserve the dairy cow population. The additional butter volumes quickly built up into excess warehouse stocks that needed to be exported, but previously established sales markets became inaccessible due to the blockade of Ukrainian ports. The EU helped overcome the crisis, allowing Ukraine to supply goods to its market without quotas or duties. Within a few months after June 5, 2022, excess stocks were sold on external markets, and the domestic market was balanced. Butter exports increased by more than a quarter from 2021 to over 14 thousand tons, with almost half shipped to the EU. In 2023–2024, the Ukrainian butter market underwent another transformation: the growth in domestic consumption of dairy products, driven by the return of the population, intensified production of finished products, while butter production decreased. As a result, exports of these products, especially to EU countries, decreased significantly.

Starting in the fall of 2024, the situation on external markets improved: butter prices in Europe reached levels attractive to exporters. Even more favourable conditions prevailed in the first quarter of 2025. Due to increased supply of raw materials for industrial processing and a slowdown in domestic consumption growth, butter production increased to over 70,000 tons. A significant part of this volume – 14.7 thousand tons – was exported, of which almost 40% fell to EU countries. Among European partners, the largest volumes were purchased by Lithuania, Poland, Bulgaria, the Netherlands, and Romania.

At the same time, the largest importer of Ukrainian butter remains Moldova, accounting for around one-third of total exports last year. Among the post-Soviet countries, Azerbaijan is a significant importer, and Georgia, Armenia, and Kazakhstan remain stable importers. At the same time, increased competition from Belarusian and Russian producers complicates the expansion of exports to these markets. In addition, the annual quota for butter exports to the EU is limited to 7 thousand tons. Given the expected increase in Ukrainian butter supply, producers should actively diversify their sales markets. The countries of the MENA region currently look the most promising.

The global butter market remains extremely volatile: prices fluctuate widely, from rapid growth to sharp declines. Last year, export prices reached almost 8,000 USD per ton, but over the last six months, there has been a significant decrease; demand even fell to about 4,000 USD per ton, which led to unprofitable production and trade. Currently, a new upward price trend is evident, opening additional opportunities for market participants.



Skimmed milk powder

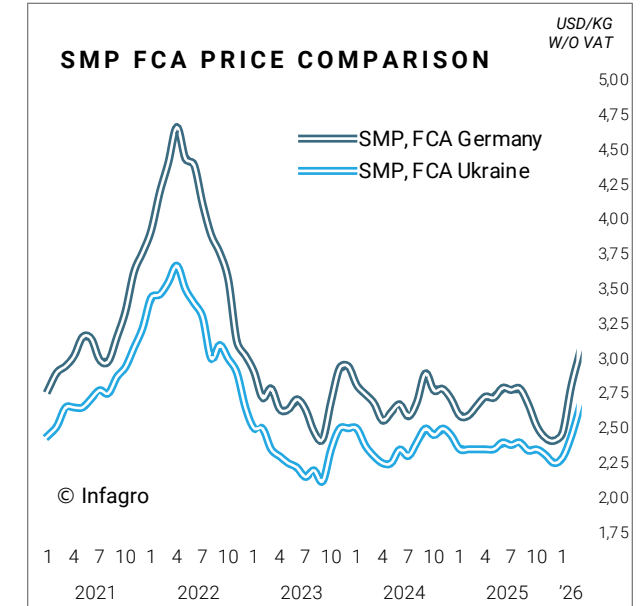
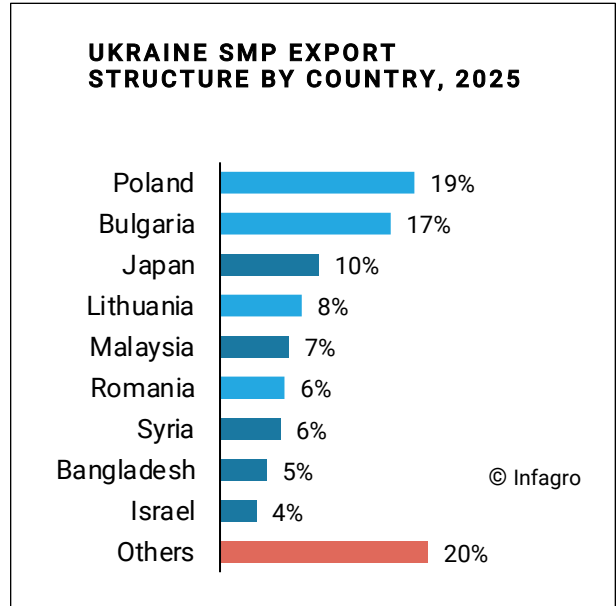
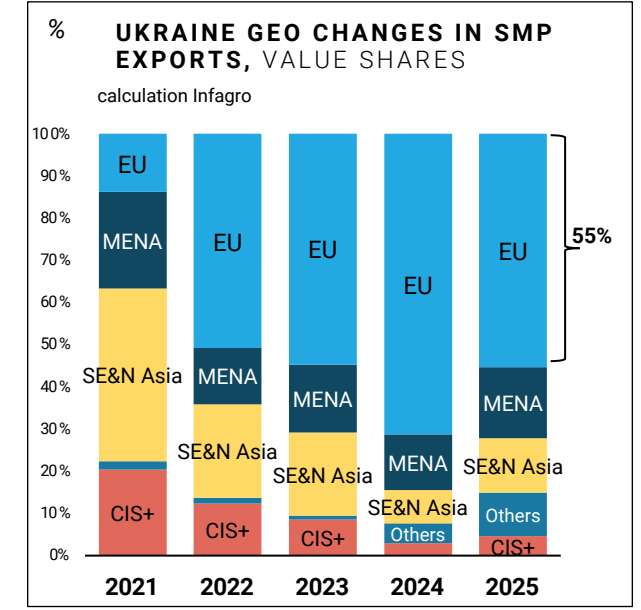
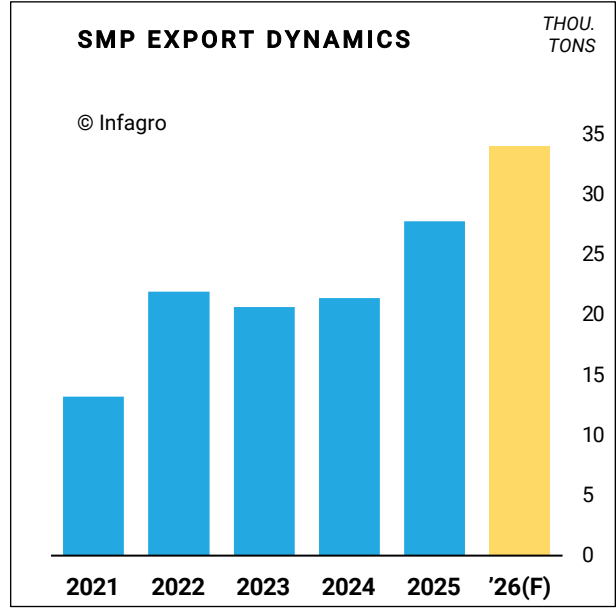
The increase in the supply of raw milk for industrial processing was a key factor in the significant growth in the production of skimmed milk powder and butter. An additional incentive was the less attractive price situation for an alternative product – casein. According to preliminary estimates, Ukraine produced more than 40,000 tons of skimmed milk powder in 2025, the highest figure since 2018. Given the limited domestic consumption, there was a need to increase exports of this product significantly.

Before the full-scale invasion, in 2021, the volume of skimmed milk powder exports was only 12.5 thousand tons, but during 2022–2024 the figures increased to 20–21 thousand tons per year. Last year, foreign sales increased by another 30% and reached almost 27 thousand tons. Higher export volumes were recorded only in 2019 and earlier.

The onset of a full-scale war forced Ukrainian exporters to seek new markets and develop alternative logistics routes. The ability to export to the European Union without duties and quotas played a decisive role, enabling most producers to obtain the necessary certification within several years. In 2024 and 2025, about 15 thousand tons of skimmed milk powder were exported to EU countries, accounting for 70% and 55% of the total export volume, respectively. It is worth noting that, before the war, a 5,000-ton quota was in place for deliveries to the EU, which was never fully used. From mid-2022 to June 5, 2025, the quota was cancelled, but it is now in effect again, at 15.4 thousand tons per year, subject to the granting of import licenses.

With the emergence of the opportunity to sell milk powder more profitably on the EU market, Ukrainian exporters have partially lost traditional sales markets in the post-Soviet countries, Asia and even the MENA region. Last year, in addition to the EU, significant volumes of skimmed milk powder were supplied only to Japan, Malaysia and Syria. This year, the increase in butter production is accompanied by a further rise in skimmed milk powder supply, so exports are likely to grow significantly again, possibly exceeding 35 thousand tons. At the same time, the 15.4 thousand-ton quota for supplies to the EU may not be sufficient to maintain market balance, necessitating more active expansion into alternative sales markets in Africa and Asia.

Sales to Europe remain more profitable due to lower and simpler logistics costs. The price difference between the EU and Asian markets is 5-7%, which is a significant factor for exporters. Currently, skimmed milk powder can be sold on the EU market at about \$2,700 per ton (FCA), while in Malaysia, the price is unlikely to exceed \$2,500 per ton.



Condensed milk

The basis of Ukraine's dairy exports is commodities such as butter, powdered milk, and whey. At the same time, the need to increase the share of value-added products is growing. These markets do not have sharp price fluctuations typical of commodities; instead, they are more stable and predictable.

Some market operators have already drawn the appropriate conclusions and are actively working on promoting finished products to foreign markets – branded cheeses, fresh dairy products, condensed milk, ice cream, etc.

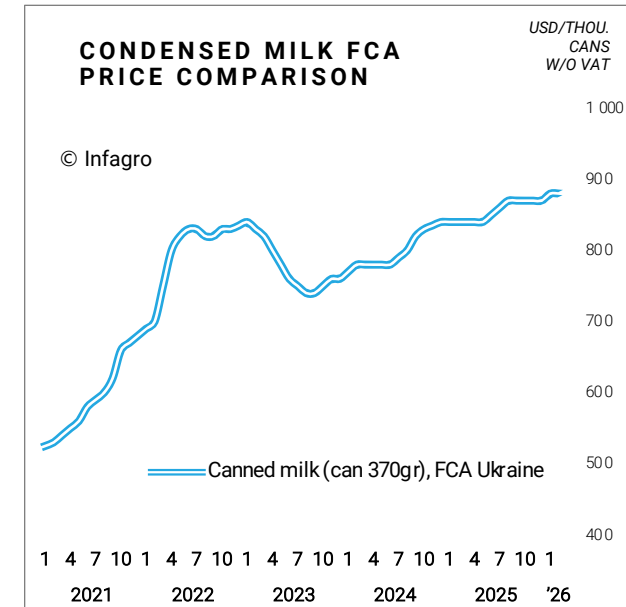
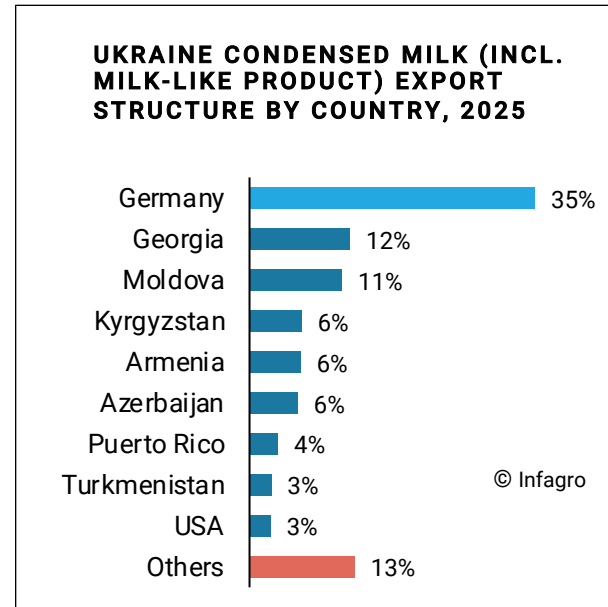
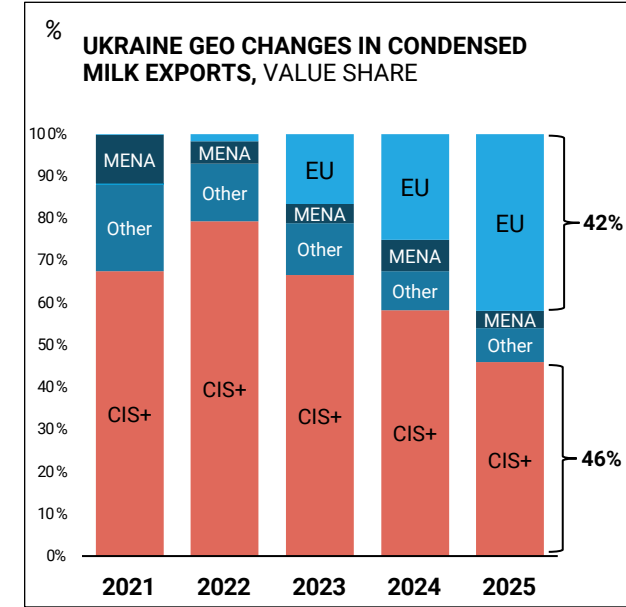
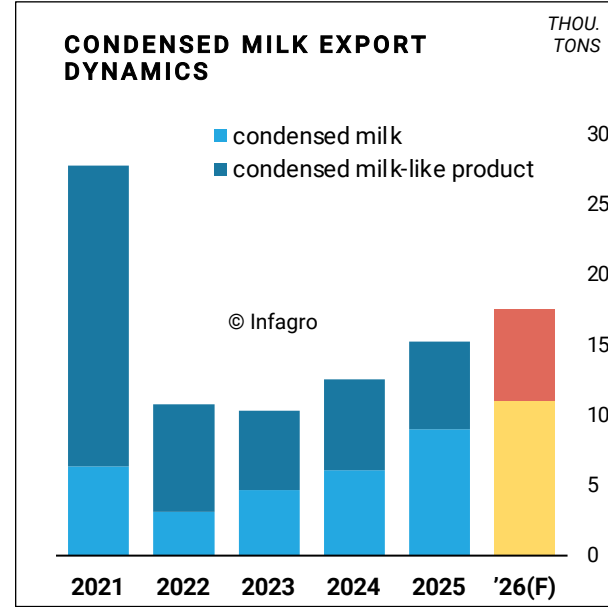
Condensed milk is a prime example of a value-added product that is gradually but surely restoring export positions after a sharp decline at the beginning of the full-scale invasion. Thus, in 2022, exports of condensed milk decreased almost threefold from 2021 to 10.7 thousand tons. This decline was due to the fact that before the full-scale war, significant volumes of condensed milk with vegetable fats (hereinafter referred to as 'condensed milk-like product') were supplied to the post-Soviet countries of Central Asia; however, since 2022, such exports have become economically unprofitable due to the high cost of alternative logistics.

In subsequent years, exports gradually resumed and, in 2025, exceeded 15 thousand tons of condensed milk and condensed milk-like product.

Supplies have primarily driven growth in exports of condensed milk to European Union countries, whose share reached 42% in 2025. In terms of volume, exports to the EU have almost equalled supplies to the post-Soviet countries. At the same time, the structure of supplies is different: classic condensed milk is mainly exported to the EU, while condensed milk-like product is mostly exported to the post-Soviet countries.

Thanks to the European market, exports of condensed milk with only milk fat in 2025 reached 9 thousand tons, exceeding 2021 levels. The key driver of growth was Germany, which accounted for 35% of total export volume in 2025. Georgia and Moldova also remain important markets – 12% and 11%, respectively. The countries of Central Asia and the Caucasus together accounted for about 25% of total exports.

After the correction in 2023, export prices for condensed milk are rising steadily. Although the rates of increase over the past three years are more moderate than in 2021-2022, they remain quite stable, which contributes to the expansion of export activity. In 2026, the benchmark for the Ukrainian export price is \$900 per thousand cans.



Fresh cheese

A rather interesting trend is observed in foreign trade in fresh cheese. Even before the full-scale war, their exports remained minimal; however, since 2023, sales of this product have increased several times annually. In 2025, Ukraine exported 7.1 thousand tons of fresh cheese, compared to less than 2 thousand tons in 2021. In addition to traditional supplies of finished, branded products, a real breakthrough was the cooperation with German distributors in the private-label format (own trademarks). In 2025, exports to Germany accounted for 21% of total volume, and a similar approach can be scaled to other EU countries.

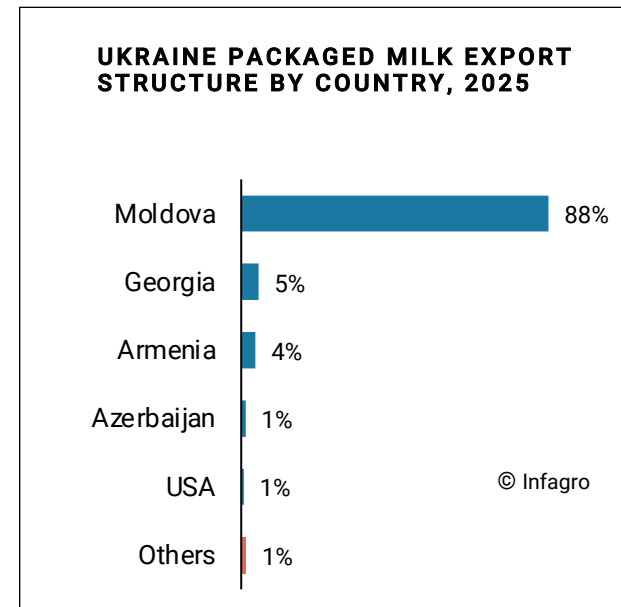
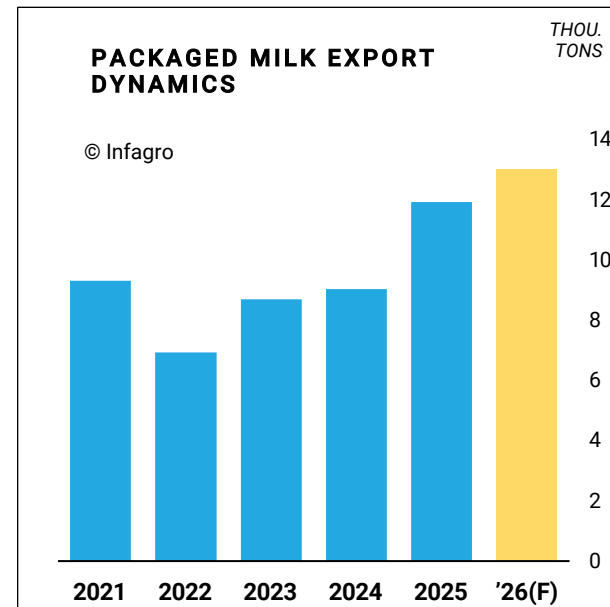
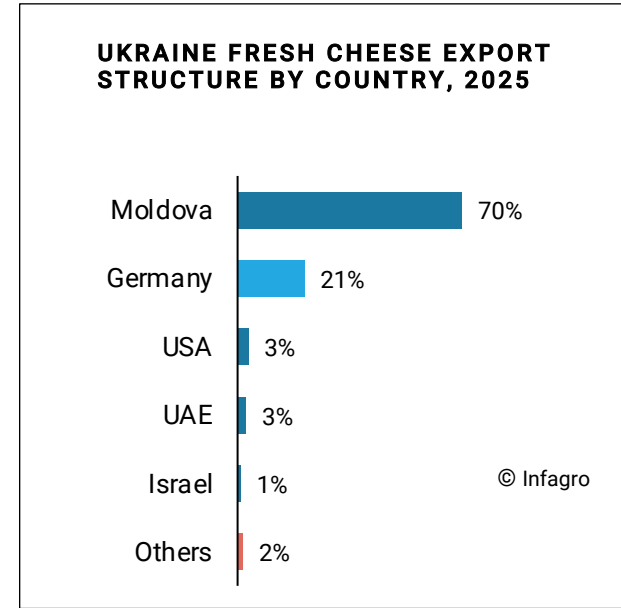
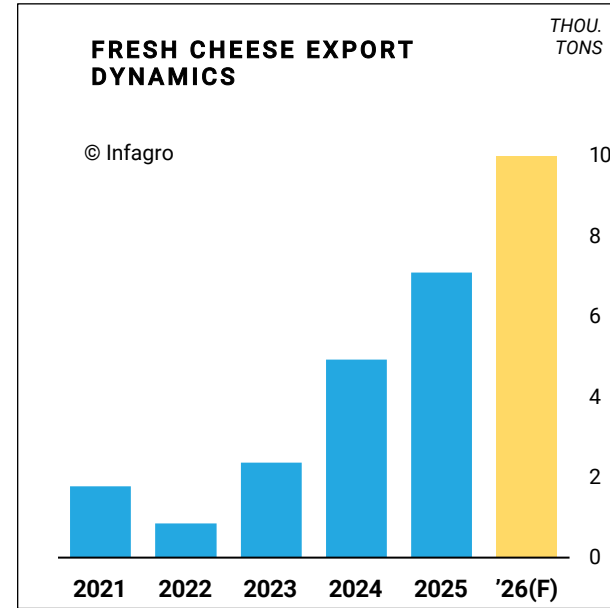
It is also worth noting the growth in sales of glazed curd bars, whose demand is increasing not only in Ukraine but also contributing to the development of exports to international markets. At the same time, Moldova remains a key market for Ukrainian fresh cheese across product formats and distribution channels. In 2025, the country's share in the category's exports was about 70% of the total.

Drinking milk (packaged)

Recently, Ukrainian dairy companies have been actively expanding into foreign markets for packaged milk, primarily ultra-pasteurised. This product has a long shelf life, allowing the application of inventory management approaches similar to those used for dairy commodities.

In 2025, milk exports increased to 12 thousand tons, exceeding the 2021 figure, similarly to fresh cheese. At the same time, the development of exports in this category depends almost entirely on supplies to Moldova, whose share in 2025 was 88%. Sales to EU countries remain insignificant (in 2025, 166 tons) but have growth potential. In addition, long-life milk may also be promising for other markets, primarily the MENA region.

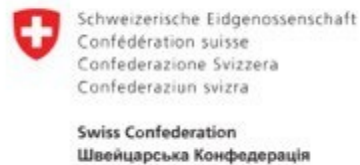
A key limiting factor for expanding presence in foreign markets is the pricing approach. In Ukraine, ultra-pasteurised milk is still perceived as a premium product compared to short-life milk. At the same time, European competitors are more actively applying inventory management strategies for this category and are more proactive in using promotional mechanics and price discounts in foreign markets, promoting their own brands even in periods of low or zero profitability. It is, in fact, the same strategy that Ukrainian companies have long used for short-life milk in the domestic market.



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This event is organised jointly with the state-owned enterprise "Office for the Development of Entrepreneurship and Export" and the analytical agency Infagro with support of Switzerland 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).



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