

Report on the organization of RoundTable: «Water in the Food Chain in Ukraine with emphases on the Dairy Sector »

On October 30, 2014 in the Ukrainian House in Kyiv a round table on the topic «Water in the Food Chain in Ukraine with emphases on the Dairy Sector» was hosted. It was organized by the Food and Agriculture Organization (FAO), the European Bank of Reconstruction and Development (EBRD) and the Association of Dairy Producers (ADP).

The event was attended by representatives of relevant ministries, EBRD, foreign experts, dairy producers and processors. Around 70 guests took part in the event.

Andriy Yarmak, economist of investment center (FAO), welcomed the participants. He said that in recent years the cost of water in some Ukrainian enterprises increased by ten times or even more. Therefore, the problem of efficiency of water use cannot be neglected by members of the dairy sector.

"FAO together with the EBRD and the Association of Dairy Producers of Ukraine drew attention to this urgent issue and conduct researches on the use of water. In addition to Ukraine, this problem spread to a number of other countries. The results and conclusions will make possible to plan actions on how to improve the efficiency of own business and the water use not only for EBRD and FAO, but as well as market participants".

Deputy Minister of Agrarian Policy and Food **Andriy Dykun** appealed to the floor. He gave accent to the severity of the problem, including: obtaining permits for special use of water and mineral resources, and unreasonable extremely high penalties, which are assessed to dairy enterprises.

Senior Engineer for Energy Efficiency & Climate Change (EBRD) **Gianpiero Nacci** spoke of EBRD projects on efficient use of resources in Ukraine and their effects on some Ukrainian and foreign companies. During 2006-2013 the EBRD has financed a number of projects for efficient use of natural resources totaling approximately 13.4 billion. euro.

Head of the Department of Water Resources of State Agency for Water Resources **Olga Lysiuk** told about the water balance of Ukraine: dynamic of water supply and water use. The annual need of population and industries in water is 15-16 billion. cubic meters. The northern part of Ukraine is better provided with groundwater, including Chernigiv region. Olga Lysiuk believes that for the development of agriculture in troubled regions, especially in the south, it is necessary to introduce irrigation system.

Currently, the cost of water is increasing and this trend will continue. So now it is needed to find solutions to effective water use, including agriculture. **Andriy Yarmak** made a presentation about the problem of efficiency of water use in agriculture and food industry. According to him, the cost of water rises faster than food production increases. The share of various segments of the food industry in the consumption of water is different. The dairy industry is second only to sugar refining industry, but the first in use of artesian water. Special attention should be paid to the quality of water, which is being worsened in many regions. This may in the future reflect badly on both the agriculture and the food industry.

Ruslana Butylo, Chief Analyst at ADP, presented the analysis of the different stages of milk production in the milk value chain and the role of water in each of them.

Agricultural producers joined to discuss the main issues of round table. Among them were the President of the Association of Pig Producers of Ukraine Artur Loza, Director of PAE "Leader" Oleksandr Mehey and Director of PAE "Piskivske" Valeriy Kolosha.