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Report Highlights:

Post estimates chicken meat production and exports will increase in 2026 following the Ukrainian poultry industry's adaptation to war-related production issues. Post estimates decreased chicken meat production and exports for 2025 on industry-reported production and supply problems. Production declines affected Europe's largest poultry producer, MHP SE, headquartered in Ukraine, as well as smaller producers targeting domestic markets. Ukraine's exports to the European Union (EU) will remain robust but will be limited to the new tariff-rate quota negotiated in fall 2025. Growing chicken meat exports to the United Kingdom will continue, and it may surpass the Netherlands as Ukraine's largest single country export market. EU markets will also remain export destinations of choice due to geographical proximity and premium prices. The Russia-Ukraine war remains the major production and trade risk in 2026.

Data included in this report is not official USDA data. Official USDA data is available at: https://apps.fas.usda.gov/psdonline/app/index.html#/app/home

Executive Summary

Production and trade forecasts made in this report remain fragile due to war-related reasons. FAS/Kyiv will provide additional reports as situation change.

Post estimates 2026 chicken meat *production* above 2025 levels, although relatively low, reflecting the industry's slow adjustment to war-related production challenges. In 2025, the Russia-Ukraine war led to temporary production stalls caused by electricity outages, labor shortages, rising production costs, and shrinking demand. After an optimistic first half of 2025, Ukraine's chicken meat production declined in the second half of the year. Although the official annual chicken meat production numbers are not yet available, animal numbers and slaughter indicators suggest production stabilized by the end of 2025. In its third quarter (2025) report, Ukraine's largest poultry producer, MHP SE, reported a decline in production but stable exports which were from their stocks.[1] Information from smaller producers is limited, though some have reported production and logistical difficulties.

Post estimates *domestic demand* will remain firm in 2026. While the National Bank of Ukraine expects moderate GDP growth slightly below 2 percent, chicken remains the competitively priced available protein. Population outflows increased at the end of 2025, but the impact on consumption will not be significant and will be offset by other factors.

In 2026, Post estimates *exports* of chicken meat will also be higher and comparable to 2024 levels. Exports to the United Kingdom (UK) will grow exponentially following a new bilateral trade deal with no quotas and no import duties signed in January 2026. The UK may surpass the Netherlands as Ukraine's largest single country export market. Ukrainian producers will focus on markets with predictable access and good prices. The new trade deal with the EU, signed in October 2025, sets Ukrainian exports in 2026 at 120,000 metric tons (MT). Exports to the Middle East will decrease due to production limitations.

Post estimates *imports* of low-priced poultry offal from the European Union (EU) will continue, but at a somewhat lower rate. The new trade deal with the EU established a larger duty-free tariff rate quota (TRQ). Post expects all EU exports to Ukraine to be duty-free in 2026, as the negotiated TRQ significantly exceeds recent years' trade volumes. The pre-October 2025 quota did not have a huge impact, as Ukraine's over-quota duties were reasonable and trade was occurring. In recent years, Ukrainian domestic producers have paid increased attention to the domestic poultry offal segment in an attempt to replace imports. Imports of offal from selected EU member states will continue to gradually decline.

[1] USDA PSD Data only includes stock data which is government-held stocks or private stocks reported in official data. As such data is not available in Ukraine, stocks in the PSD are reported as zero despite industry commentary and media.

Production
Post estimates 2026 production above 2025 levels, reflecting ongoing industry adjustment to the new operational environment. War-related risks include production process stalls associated with prolonged power outages, increased production costs due to the intensive use of alternative electricity sources, stagnant demand due to continuing population outflows, workforce shortages and increased staff turnover due to conscription, logistical and cold storage problems, severe 2025/2026 winter weather conditions that required additional heating, and work process interruptions due to increased air alerts. Many producers had to slow down production in the second half of 2025 and invest in new energy-generating equipment. All these factors negatively affected Ukrainian chicken meat production in 2025.

Table 1: Chicken Meat Production, Supply, and Distribution (PSD)*

Meat, Chicken Ukraine Thousand MT	2024		2025		2026	
	Market Year Begin: Jan 2024		Market Year Begin: Jan 2025		Market Year Begin: Jan 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	0	0	0	0	0	0
Production	1390	1,390	1,410	1,372	1,430	1,393
Total Imports	46	46	44	48	42	42
Total Supply	1,436	1,436	1,454	1,420	1,472	1,435
Total Exports	463	463	465	450	475	460
Human Consumption	973	973	989	970	997	975
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	973	973	989	970	997	975
Total Use	1,436	1,436	1,454	1,420	1,472	1,435
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,436	1,436	1,454	1,420	1,472	1,435

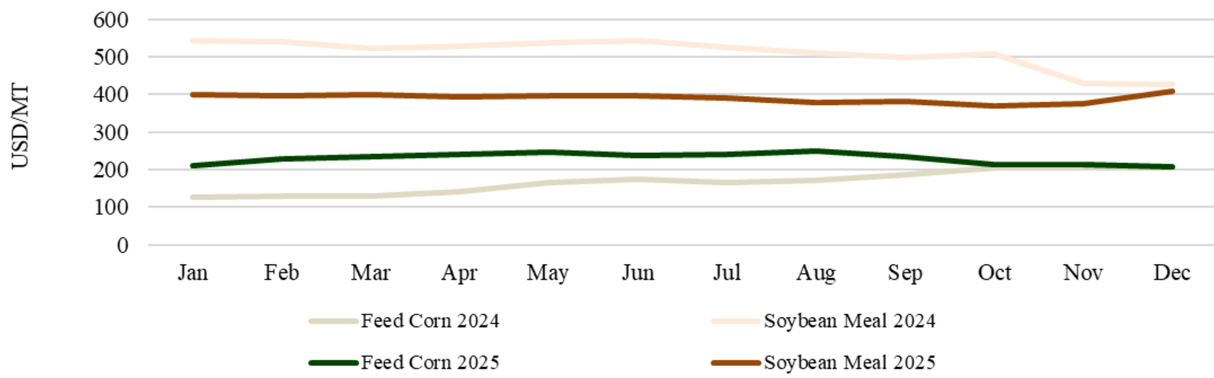
***Not Official USDA Data; official data can be accessed at:** PSD Online Advanced Query
Export numbers exclude exports of chicken paws to China and Hong Kong and chicken meat exports to Vietnam; exports of salted poultry (HS 021099) are included. The production number includes Crimea.

The industry’s vertical integration provides additional resilience by enabling cross-subsidization of poultry production from crop production, trading, oilseed crushing, and commodity exports. However, many producers had to cut production in 2025 and seek additional financial support domestically and internationally. The two largest poultry producers, MHP SE and Dniprovsky, restructured their debt to gain additional operational flexibility in 2026. Through significant effort to adjust, industry is likely to return to production levels similar to 2024, but further growth is unlikely.

All chicken meat producers faced growing production costs in 2025 and early 2026. Although increased soybean production and a subsequent crash led to a drop in feed costs in 2025, the cost of other production inputs continued to climb (Figure 1).

In regard to the changing labor market, meat processors reported a shortage of qualified staff and increased need to retrain newly acquired staff. They also reported growing share of women and older employees, who are less likely to be drafted, and a significant salary increase for the remaining employees. The Ukrainian government allows for temporary conscription waivers for critically important workers, but ongoing staff turnover created issues.

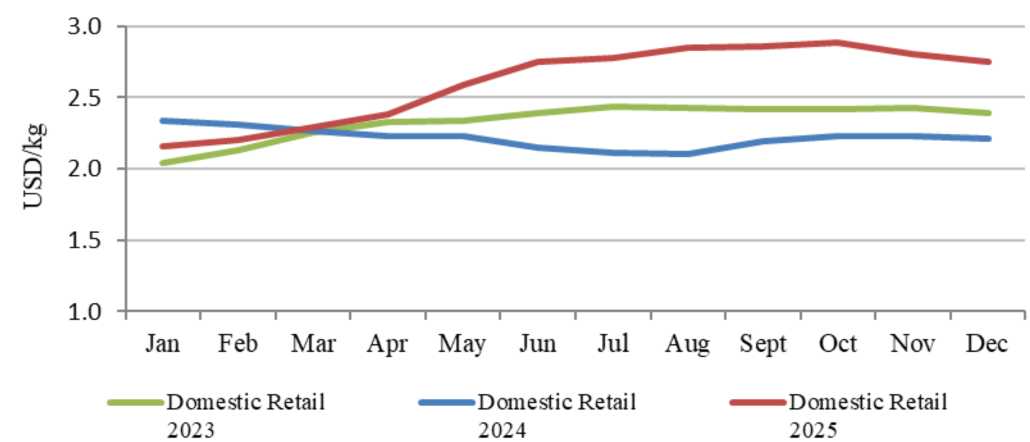
Figure 1: Feed Prices in Ukraine



Source: APK-Inform

The share of energy costs in total production grew significantly, as producers relied on backup generators during longer blackouts, paying for diesel fuel and maintenance. Chicken meat producers had to pass additional costs onto buyers; therefore, growing production costs led to higher chicken meat prices (Figure 2). Nevertheless, chicken remains the cheapest animal protein and constitutes approximately half of all animal protein consumption in the Ukrainian diet.

Figure 2: Retail* Chicken Meat Price for Whole Birds

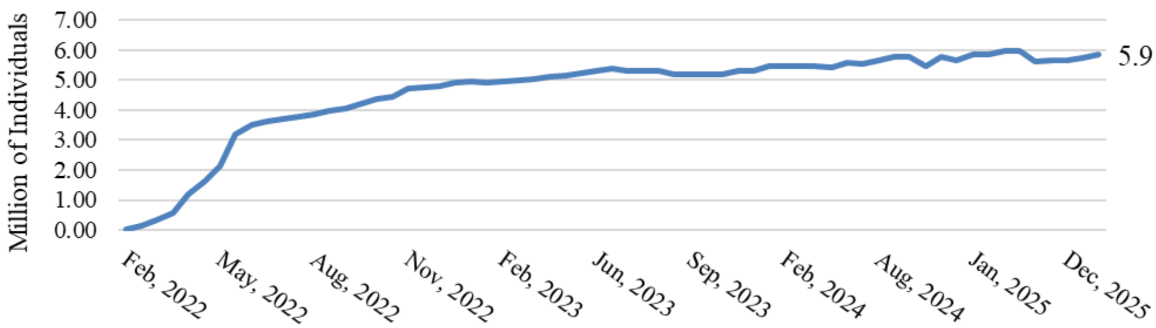


Source: State Statistics Service based on the Ministry of Economy, Environment, and Agriculture surveys
*Ukraine has stopped the official publication of producers' poultry prices until the end of the Russia-Ukraine war

Disease outbreaks remain a production and export risk factor. No highly pathogenic avian influenza (HPAI) outbreaks in commercial poultry flocks were registered in Ukraine in 2025. However, Ukraine reported one non-poultry HPAI case in northern Ukraine.

Consumption
Due to the Russia-Ukraine war, the number of officially registered refugees fluctuates. After dropping to 5.7 million in the summer of 2025, the number of refugees increased to 5.9 million by February 2026 (Figure 3). The number of refugees outside the EU remains relatively stable.

Figure 3: Number of Refugees from Ukraine



Source: FAS/Kyiv estimate, based on United Nations High Commissioner for Refugees data
* This graph does not include individual refugees (refugees who did not apply for temporary protection status) and refugees in Russia, registered under different forms of stay

Decreasing consumer numbers will slightly reduce Ukraine's poultry consumption in 2026. However, Post expects this decrease to be more than offset by increased per capita consumption. A significant number of internally displaced people, who reached 3.7 million in December 2025, settled in central and western Ukraine. These internally displaced people heavily rely on poultry, as it is the cheapest source of animal protein.

After a major drop in 2022, the Ukrainian economy is slowly recovering, with the National Bank of Ukraine's preliminary GDP growth estimate 2.2 percent in 2025, with 1.8 percent forecast in 2026. Stable economic performance and gradual salary growth among the majority of consumers will contribute to stable poultry consumption in 2026.

Trade
Post estimates Ukraine's 2026 poultry exports lower from its previous estimate, but higher than its new 2025 estimate, due to war-related production difficulties. Post decreased its 2025 export figure to align with official statistics. Ukraine will remain an offal importer from the EU, but Post does not estimate significant imports despite increased market access.

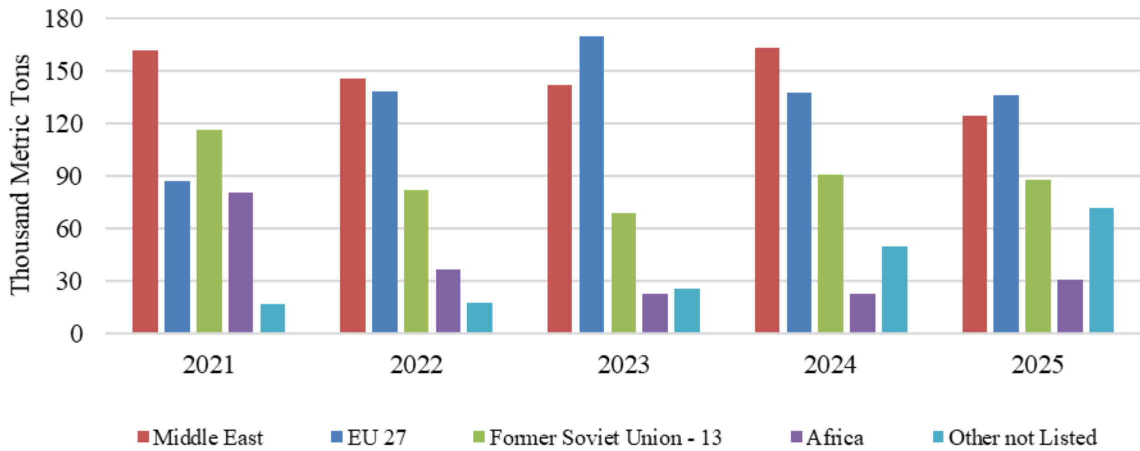
New Trade Agreements with the EU and UK
Ukraine finalized its long-term market access agreements with the EU in October 2025 and with the UK in January 2026. The EU agreement stabilized trade in quarter four 2025 and provided a clear trade perspective for 2026. Ukraine's 2025 exports stabilized and were close to 2024 levels, the period when the EU autonomous trade measures (ATMs) were in place.

Ukraine's import quotas for EU chicken meat also increased in 2025, but the EU has been able to supply over quota in previous years. Post does not expect a significant increase in imports in 2026 despite this better market access. The UK-Ukraine deal does not contain quotas or tariffs, thereby promoting

Ukraine's expansion into the UK market. Ukraine's exports to the UK will continue to accelerate in 2026.

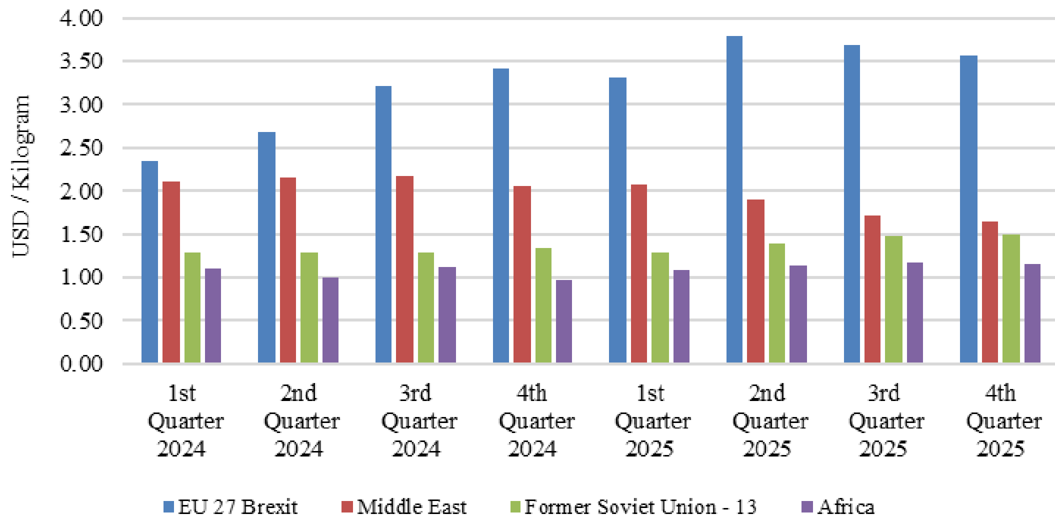
Exports
Ukraine's 2026 chicken meat exports will continue to focus on three well-developed markets: the EU, the Middle East, where MHP has investments, and the UK. The EU market will remain the destination of choice due to its size, geographic proximity, and the significant premium European consumers are willing to pay (Figure 4). The price difference is partially explained by differences in export product composition: the EU imports premium poultry cuts. However, the price difference with other export destinations is very significant (Figure 5). Post forecasts export fluctuations will occur due to war-related logistical issues, which could decrease exports to specific countries and regions in the short term.

Figure 4: Ukraine's Chicken Meat Exports



Source: Trade Data Monitor; FAS/Kyiv estimates

Figure 5: Chicken Export Prices by Export Destination



Source: Trade Data Monitor; FAS/Kyiv estimates

Exports to the UK
The UK's share of Ukraine's exports grew significantly, and Post expects it to increase further in 2026 and 2027 (Figure 6).

Figure 6: Ukraine's Poultry Exports to the United Kingdom

Sources: Trade Data Monitor; Ukraine-UK free trade agreement (FTA); Government of Ukraine

Ukrainian producers face almost no trade barriers, as the agreement is expanding the free trade regime from March 2026. Upon Brexit, Ukraine and the UK signed a bilateral free trade agreement (Political, Free Trade and Strategic Partnership Agreement Between the United Kingdom of Great Britain and Northern Ireland and Ukraine) that established a separate import TRQ. After the full-scale Russian invasion in 2022, the UK eliminated import duties and canceled import quotas; however, the preferential duties on poultry and eggs were set to end on March 31, 2026.

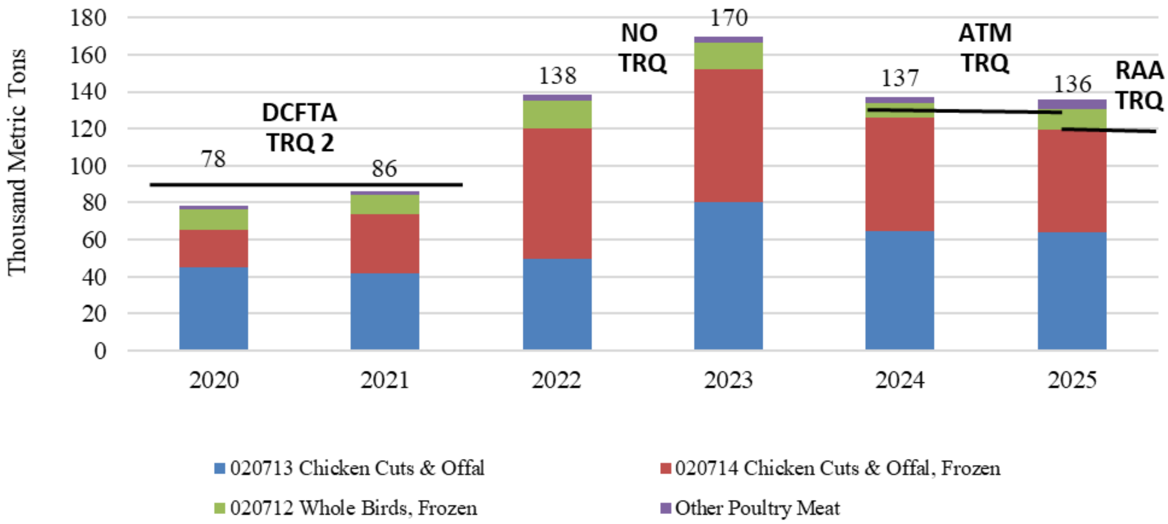
On January 16, 2026, Ukraine and the UK signed an agreement extending the application of zero import duties on eggs and poultry meat from March 31, 2026, to March 31, 2028. This is important support for the Ukrainian agricultural sector and contributes to the preservation of exports. Therefore, Ukrainian exports to the UK will not be limited in 2026.

Exports to the EU
The EU and Ukraine finalized new, higher reciprocal zero TRQs in October 2025 (Figure 7). The deal followed the expiration of ATMs, which provided preferential access to EU markets for Ukrainian exporters in 2024 and part of 2025. Compared with the Deep and Comprehensive Free Trade Agreement (DCFTA) TRQ 2, which was in place until the start of full-scale Russian invasion, the new quota size increased by one-third to 120,000 MT (Figure 7). However, compared to the ATM TRQ in place in 2024 and part of 2025, the import quota actually decreased from 133,283 MT. This new agreement supported Ukraine's exports in the second half of 2025, when the ATM TRQ expired. The resulting 2025 exports were comparable to 2024 levels, due to a small difference in quota size and strong early 2025 exports.

In 2025, the EU approved three additional cold storage and processing facilities for poultry export. The total number of total approved establishments reached 17 by January 2026. The number of chicken meat producers approved for export remained unchanged. The list includes two large production facilities owned by MHP, a couple of mid-size facilities, and one small facility. Ukraine also maintains a technical ability to transit chicken meat from non-EU-approved facilities to third-country markets.

The quota enforcement mechanism also changed in 2026 and is now similar to the pre-war period. Ukraine has abandoned poultry export licensing, and the EU will distribute its import quota on a first-come, first-served basis.

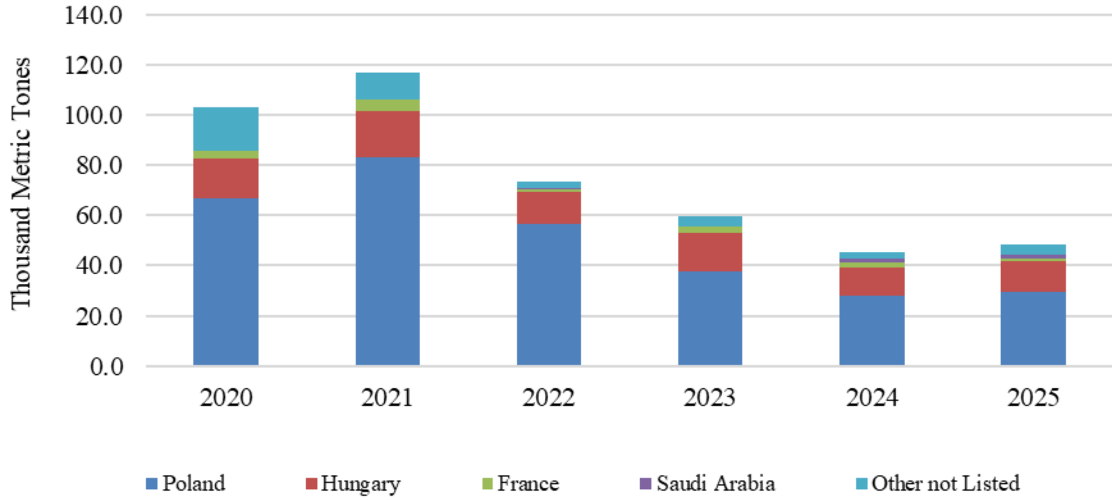
Figure 7: Ukraine's Chicken Meat Exports to the EU



Source: Trade Data Monitor; FAS/Kyiv estimates
DCFTA TRQ – increased to 90,000 MT in July 2019 and suspended from June 2022
ATM TRQ – equivalent of 133,283 MT established in May 2024 and enforced through Ukraine's voluntary export restrictions
RAA TRQ – Revised Association Agreement quota of 120,000 MT finalized in October 2025

Imports
Post expects lower chicken meat imports in 2026 as Ukrainian producers continue their gradual recovery of the domestic poultry market by supplying increased quantities of poultry offal. Low priced poultry offal will remain Ukraine's main import, contrasting with its significant worldwide exports of premium parts and whole birds. Major poultry offal suppliers from Poland and Hungary will face increased competition from domestic producers but will remain competitive due to new EU-Ukraine TRQ (Figure 8).

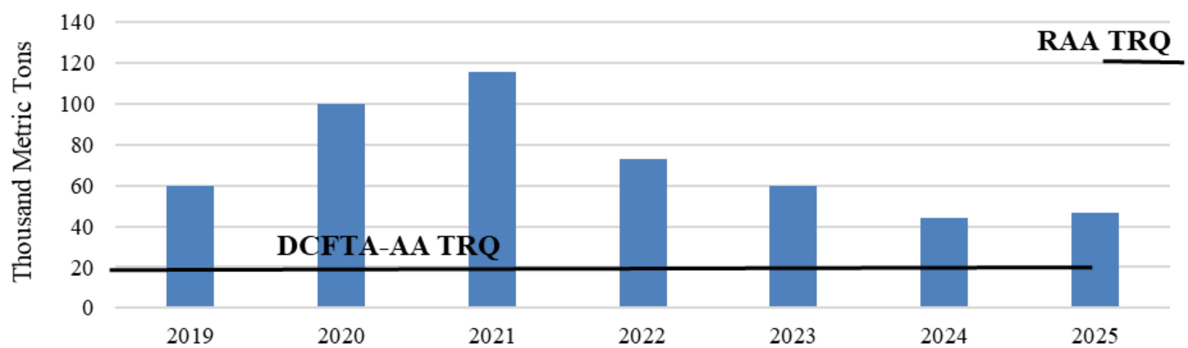
Figure 8: Ukraine Chicken Meat Imports by Country



Source: Trade Data Monitor

The EU-Ukraine agreement finalized in October 2025 increased Ukraine's import TRQ sixfold and matched the EU import quota at 120,000 MT (Figure 9). The establishment of reciprocal, equivalent quotas will allow for greater competition and market-driven prices for all market participants.

Figure 9: Ukraine's Imports from the EU



Source: Trade Data Monitor; Ukraine-EU Association Agreement

Although the new quota provides better market access for EU poultry producers, Post does not expect it to affect trade flows for the same reason the previous EU quota did not. Unlike the EU, Ukraine maintains a very liberal trade regime, with reasonable *ad valorem* import duties for chicken meat products ranging from 10 to 15 percent, and EU-harmonized SPS market access rules. Because of low import barriers, the import quota was not binding, allowing for over-quota trade. Historically, import quotas benefited selected companies that received them, but in 2026, all imported chicken meat suppliers are likely to benefit from the increased TRQ.

Post expects Ukraine to continue its imports of chicken meat from one of its major export destinations, Saudi Arabia. MPH's participation in Saudi poultry production development projects supports these exports.

The new trade deal with the UK provided UK poultry producers with reciprocal unlimited zero-duty import access to the Ukrainian market and no TRQ market access. However, resumption of UK exports in 2026 is unlikely due to their lower competitiveness.

Appendix

Table 2: Deep and Comprehensive Free Trade Area Agreement - Association Agreement Duty-Free Tariff Rate Quotas (TRQs) for Poultry Products

Product	HS Code	For Ukraine's exports to the EU, MT, expressed in net weight	For the EU's exports to Ukraine, MT, expressed in net weight
Poultry: Whole Birds and Poultry Cuts	0207.11.(30-90) 0207.13.(10-20-30-50-60-99) 0207.14.(10-20-30-50-60-99) 0207.24.(10-90) 0207.25.(10-90) 0207.26.(10-20-30-50-60-70-80-99) 0207.27.(10-20-30-50-60-70-80-99) 0207.32.(15-19-51-59-90) 0207.33.(11-19-59-90) 0207.35.(11-15-21-23-25-31-41-51-53-61-63-71-79-99) 0207.36.(11-15-21-23-31-41-51-53- 61-63-79-90) 0210.99.(39) 1602.31.(11-19-30-90) 1602.32.(11-19-30-90) 1602.39.(21)	20,000[1]	10,000[2]
Poultry: Whole Birds	0207.12.(10-90)	20,000[1]	10,000[2]

Source: *Annex I-A* to Title IV of the Association Agreement
Note: TRQs are administered on a first-come, first-served basis; import of poultry products is subject to quarterly AGRIM licenses
[1] Initially scheduled for a linear increase over five years from 16,000 MT in 2016 to 20,000 MT in 2021, but was unilaterally implemented by the EU from 2014
[2] Linear increase over five years from 8,000 MT in 2016 to 10,000 MT in 2021

Table 3: Ukraine-UK Duty-Free TRQs for Poultry Products

Product Category	HS Code	For Ukraine's exports to the UK, MT, expressed in net weight	For the UK's exports to Ukraine, MT, expressed in net weight
Poultry meat and poultry meat preparations	0207 11 (30-90) 0207 12 (10-90) 0207 13 (10-20-30-50-60-70-99) 0207 14 (10-20-30-50-60-70-99) 0207 24 (10-90) 0207 25 (10-90) 0207 26 (10-20-30-50-60-70-80-99) 0207 27 (10-20-30-50-60-70-80-99) 0207 32 (15-19-51-59-90) 0207 33 (11-19-59-90) 0207 35 (11-15-21-23-25-31-41-51-53-61-63-71-79-99) 0207 36 (11-15-21-23-31-41-51-53-61-63-79-90) 0210 99 (39) 1602 31 (11-19-30-90) 1602 32 (11-19-30-90) 1602 39 (21)	9,534 tons/year + 2,724 tons/year (for the CN code 0207 12 (10-90))	**2,000 tons/year + 2,000 tons/year (for the CN code 0207 12 (10-90))**

Source: *Appendix to Tariff Schedules of the UK (Annex I-A) of Political, Free Trade and Strategic Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland and Ukraine*

Attachments:

No Attachments