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Report Highlights:

FAS/Kyiv anticipates growth in Ukraine’s chicken meat production in 2026 and 2027, despite increased war-related production and trade risks. The growth is driven by unrestricted access to the United Kingdom market and stable domestic demand. Ukraine’s largest producer, MHP SE, expanded internationally by acquiring Greece’s largest poultry producer, Th. Nitsiakos AVEE. The EU, Ukraine's largest foreign market, has introduced a new permanent zero import duty quota of 120,000 metric tons. Post expects the importance of Middle Eastern markets to decline in 2026 and 2027 as exports shift to other regions. Domestic chicken production remains efficient and profitable, even with low export prices.

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

Post forecasts Ukraine's 2027 chicken production to be strong, but to grow at a somewhat slower rate than in 2026. War-related risks will be the major limiting factor. In 2026, production will also be strong due to increased production by Ukraine's largest poultry producer, MHP SE ("MHP") in the second half of the year, after a slowdown in 2025. Mid-size producers that implemented various production expansion programs in 2025-2026 also supported growth in 2026 and 2027. The vertical integration model used by the Ukrainian industry allows for successful market expansion and market entry by smaller players. Most of the growth will concentrate in western and central Ukraine, far from the front lines.

MHP continued its expansion in the EU by acquiring a 70 percent stake in Greece's largest chicken meat producer, Th. Nitsiakos AVEE, with the option for the remaining 30 percent. This is the second significant acquisition by MHP in less than a year, after acquiring a 92 percent stake in the Spanish poultry producer Grupo UVESA in August 2025.

The intensification of the Russia-Ukraine war will create additional risks to industry in the second half of 2026 and 2027. Russian attacks on Ukrainian infrastructure resulted in electricity outages, logistical problems, and production risks. Although increased Russian attacks on Ukraine's grain export infrastructure will result in cheaper feeds benefiting chicken production, all major poultry producers are vertically integrated and will lose from depressed grain and oilseed sales. Production forecasts remain highly fragile and dependent on war developments.

Demand

Domestic demand will grow marginally, as inexpensive poultry products continue to increase their share in overall animal protein consumption. The outflow of refugees stabilized in 2025-2026 and will not impact consumption. Disposable incomes will grow slowly despite the war-related economic slowdown and the marginal drop in GDP in the first quarter of 2026.

Trade

Ukrainian producers will focus on the EU market, which pays the highest price for Ukrainian poultry supplied under the new zero import duty 120 thousand metric ton (TMT) tariff rate quota (TRQ) finalized in October 2025. The United Kingdom (UK) gained significant importance due to continued unrestricted access and market returns comparable to those in the EU, and in some periods, even higher. According to the new agreement with Ukraine, the UK will not impose a TRQ until spring 2028. Ukrainian exports to the UK in 2027 may be comparable to Ukraine's exports to the EU. Middle Eastern markets are next in importance, with Ukraine cutting some supplies in favor of the EU and UK markets. Ukrainian poultry exports are also strong in traditional former Soviet Union (FSU) markets and Africa.

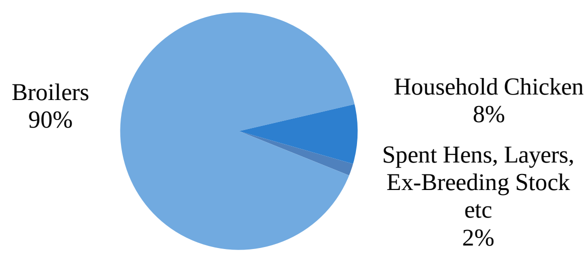
Imports of low-priced poultry offal for further processing will decline in 2027, following a domestic production increase. Larger 2026 imports are due to the larger reciprocal import TRQ finalized with the EU in October 2025.

Production

Industrial Ukrainian chicken meat production in 2027 will remain concentrated, with six vertically integrated companies responsible for over 75 percent of production. Ukraine is home to Europe's largest poultry producer, MHP, which accounts for well over 50 percent of industrial production. Several smaller Ukrainian producers are implementing productivity or production expansion programs that began in 2025. Some projects will mature in 2026 and 2027, resulting in production increases.

The share of backyard and spent hen meat production will decline in 2027. Although Ukraine is also one of the world's largest egg producers, the share of spent hens in total poultry production is insignificant. The Russians destroyed at least one large egg-producing facility situated close to the front line in southern Ukraine in 2026. Industrial chicken production growth in the last 10-15 years pushed Ukrainian household chicken production into hobby-farming, green-, eco-, and traditional rural production niches. Only a low-cost household production model exists. The full-scale Russian invasion did not lead to an increased role for poultry farming as a safety net, given the abundance of cheap, industrially produced meat, and household production remains in slow but steady decline (Figure 1).

Figure 1: Chicken Meat Production in Ukraine in 2025, Product Weight Equivalent (PWE)



Source: State Statistics Service of Ukraine

Chicken Meat PSD Table*

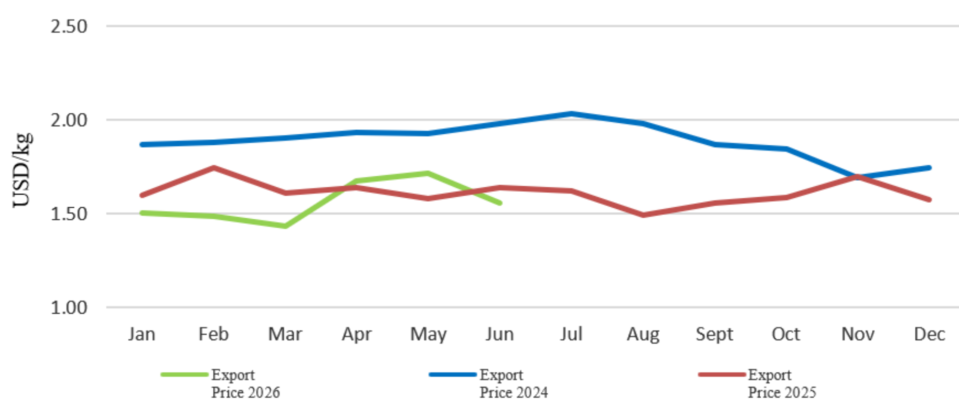
Meat, Chicken Ukraine, Thousand MT	2025 Market Year Begin: Jan 2025		2026 Market Year Begin: Jan 2026		2027 Market Year Begin: Jan 2027	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	0	0	0	0	0	0
Production	1372	1,386	1,395	1,480	0	1,540
Total Imports	49	48	42	50	0	45
Total Supply	1,421	1,434	1,437	1,530	0	1,585
Total Exports	451	450	460	490	0	530
Human Consumption	970	984	977	1,040	0	1,055
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	970	984	977	1,040	0	1,055
Total Use	1,421	1,434	1,437	1,530	0	1,585
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,421	1,434	1,437	1,530	0	1,585

***Not Official USDA Data; Official data can be accessed at:** PSD Online Advanced Query

The export numbers exclude exports of chicken paws to China and Hong Kong, as well as chicken meat exports to Vietnam. Exports of salted poultry (HS 021099) are included. The production number includes Crimea.

The availability of new export markets became the main driver of growth in Ukraine's industrial sector in 2026-2027. Industry returned to growth despite the intensification of the war and somewhat lower poultry prices in export markets in 2026 (Figure 2).

Figure 2: Whole Birds Export Prices (HS 020711 and HS020712)



Source: Trade Data Monitor

Post expects all Ukrainian poultry producers to face higher war-related expenses in 2026 and 2027. In 2026, intensified Russian attacks created significant production risks, including energy disruptions, direct facility damage, production and storage stoppages, input supply interruptions, employee losses due to mobilization, export interruptions, cyberattack losses, increased animal disease risk, business process interruptions, higher credit costs, financial restrictions such as currency exchange issues, liquidity shortages, exchange rate fluctuations, and higher taxes, including a new war tax. At least one facility near the front lines reported direct damage and employee losses from Russian attacks. Other producers incurred product losses in warehouses attacked by Russia and spoilage caused by power outages along the logistics chain.

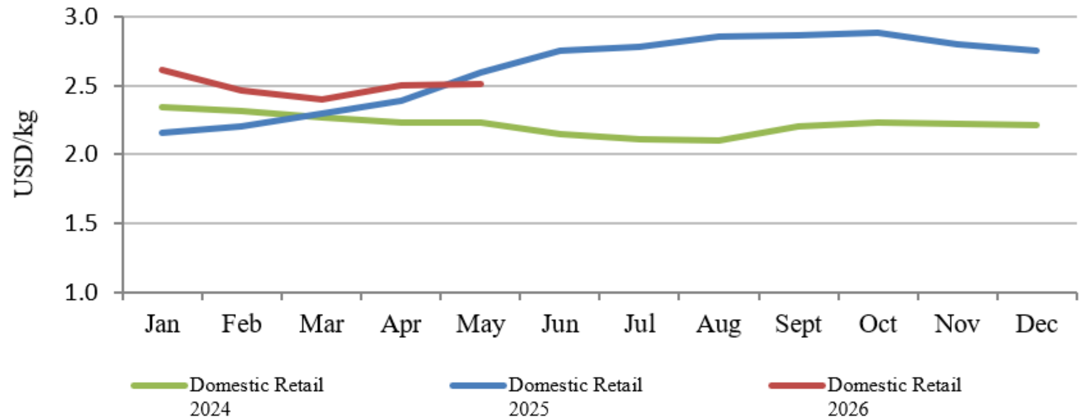
Most Ukrainian poultry production facilities are located in central and western Ukraine, where the war's impact is less severe. Official 2026 statistics show production growth is concentrated in western regions. While MHP holds significant market power, the poultry market remains competitive. Large and mid-size producers are vertically integrated, allowing them to cross-subsidize operations. This structure has helped manage uncertainties in feed prices, distribution, and sales, and has also mitigated war-related risks. Many producers, including MHP, have generated additional cash flow by selling grains and oilseeds alongside poultry. Growth in 2026-2027 is primarily internally financed, as international capital markets remain largely inaccessible.

In 2025 and Q1 2026, MHP's Ukrainian poultry operations underperformed, with limited explanation provided in annual reports or press releases. Official statistics, however, indicate a recovery in poultry production in regions where MHP operates, resulting in higher production and export forecasts for 2026 and 2027. MHP's scale, vertical integration, and relationships with Ukrainian and foreign governments and key traders have strengthened its position despite the Russia-Ukraine war. At the same time, its exposure to international financial markets and reliance on foreign import policies have introduced new challenges. These factors have shifted MHP's strategic focus toward foreign market development, following a production ceiling reached in Ukraine several years ago.

EU markets became MHP's main target for expansion. After the initial acquisition of Perutnina Ptuj Group in Slovenia in 2019, in July 2025, MHP acquired 92 percent of Spain's UVESA Group for €270 million ($318 million) and now controls over 10 percent of the Spanish poultry market, adding 160,000 MT PWE chicken to its production numbers. Because of this expansion, MHP's European segment sales exceeded $1 billion in 2025. In May 2026, MHP acquired a 70 percent share of Th. Nitsiakos AVEE Ptinotrofikes Epicheiriseis (Nitsiakos) with a put option for the remaining 30 percent. The deal consists of three tranches and will be closed in December 2028. Nitsiakos is Greece's largest vertically integrated poultry producer with almost €540 million ($616 million) turnover in 2025.

Ukraine is a major poultry meat exporter and a price-taker in the global market. In May, low world chicken meat prices led to domestic poultry retail prices falling below 2025 levels (Figure 3). Post does not expect these lower prices to significantly affect 2026 and 2027 production, as industry output is tied to long-term expansion projects.

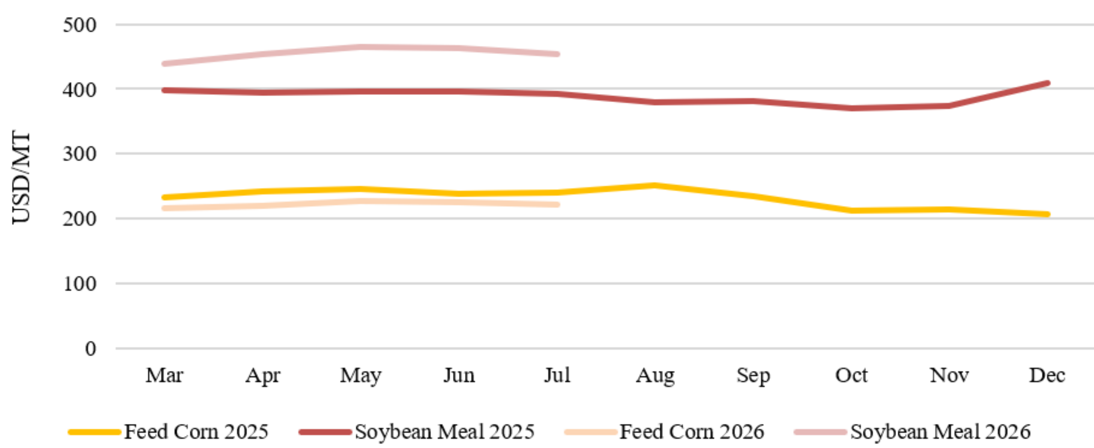
Figure 3: Retail* Chicken Meat Price for Whole Birds



*Ukraine has stopped the official publication of producers' poultry prices until the end of the war.
Source: State Statistics Service, based on Ministry of Economic Development and Trade surveys

Post expects feed supplies to remain stable in the 2026/2027 marketing year, with corn yield projected to exceed 2025/2026 levels and winter wheat and soy crops slightly higher than the previous year. Feed prices were stable in early 2026, with soy prices slightly above and corn prices slightly below last year (Figure 4). Increased Russian attacks on Ukrainian export infrastructure and vessels are expected to result in significantly decreased feed prices in late 2026 and early 2027. While lower feed prices will reduce chicken meat production costs, they will also lead to losses for crop enterprises within Ukrainian vertically integrated producers. The combined impact on the poultry industry is likely to be negative because of lower grain and oilseed sales, consequent slowdown in industry self-financed expansion programs, and additional crop storage costs.

Figure 4: Poultry Feed Component Costs



Source: APK-Inform Consulting

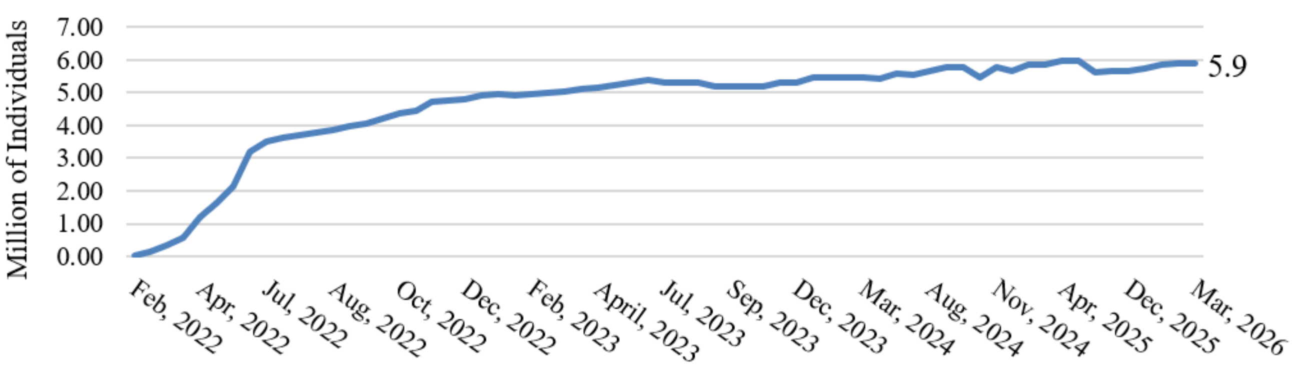
Disease spread remains a significant risk factor for production and export. Ukraine self-declared one highly pathogenic avian influenza (HPAI) outbreak in non-commercial poultry in the 2025-2026 season. No regions with significant poultry production have been impacted so far.

Consumption
Post forecasts an increase in domestic consumption in 2027, driven by a continued shift from other meats to poultry. Lower poultry prices remain the primary factor behind this trend. Ukrainian demand for meat is highly price-sensitive, and the price gap between poultry and red meat remains significant in 2026. Large social groups, such as temporarily displaced individuals, retirees, those who have lost income, and people on welfare, continue to rely on poultry as their main source of animal protein.

Post expects minimal income growth in 2027 due to the ongoing war-related economic slowdown. The National Bank of Ukraine reported a 0.6 percent year-over-year decline in GDP in the first quarter of 2026, driven by power shortages due to infrastructure damage, reduced budget spending, delays in external financing, and unusually cold weather. Although GDP may decline in 2026, Post does not anticipate significant decreases in disposable incomes, as these are typically weakly correlated with GDP changes and are growing at a slower rate.

Population outflows stabilized in 2026, and Post does not expect them to be a significant factor; however, intensified Russian attacks could reverse this trend (Figure 5).

Figure 5: Number of Refugees from Ukraine*

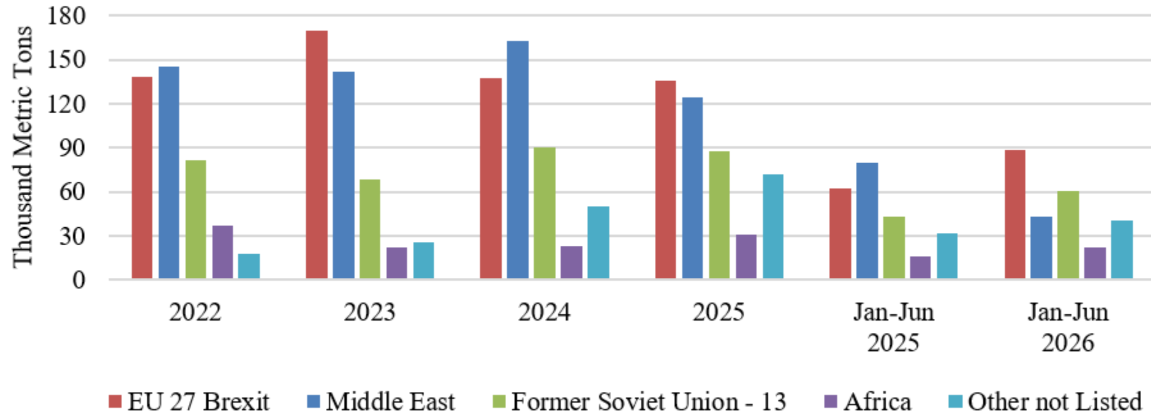


Source: Office of the United Nations High Commissioner for Refugees
* This graph does not include individual refugees (refugees who did not apply for the temporary protection status), and refugees in Russia and the occupied territories

Trade
In 2026 and 2027, Ukraine will remain both an exporter and importer of chicken meat. Historically, Ukraine has focused on premium EU and Middle Eastern markets for poultry parts and whole birds, while importing low-cost poultry offal for processing. All imports from the EU entered under the zero-tariff rate import quota (TRQ). Post expects this situation to continue.

Exports
Ukraine's poultry exports will grow in 2026 and 2027. The growth is based on the availability of new markets, which in turn encourage increased domestic production. Exports will remain diversified with a focus on premium markets in the EU and unrestricted, at the moment, access to the UK. However, Ukraine's low-cost production model allows for supply to almost any export destination, including destinations in Africa, with profit (Figure 6).

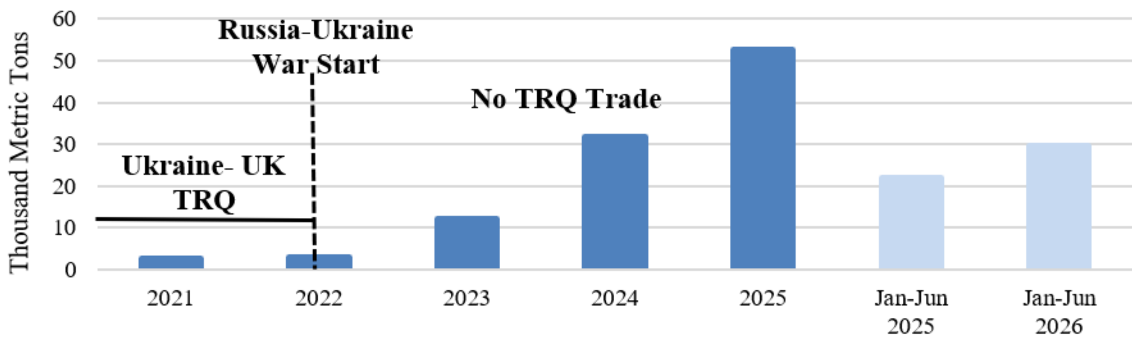
Figure 6: Ukraine Chicken Meat Exports



Source: Trade Data Monitor; FAS/Kyiv estimates

Unrestricted access to the UK market is the major driving factor in the chicken meat market from 2023-2028. After the full-scale Russian invasion in 2022, the UK eliminated import duties and canceled import quotas until March 2026. On January 16, 2026, Ukraine and the UK signed an agreement extending the application of zero import duties on poultry meat (among other products) from March 31, 2026, to March 31, 2028. This provided the Ukrainian industry with almost two years of unrestricted access to one of the world's largest premium markets, and exports skyrocketed (Figure 7).

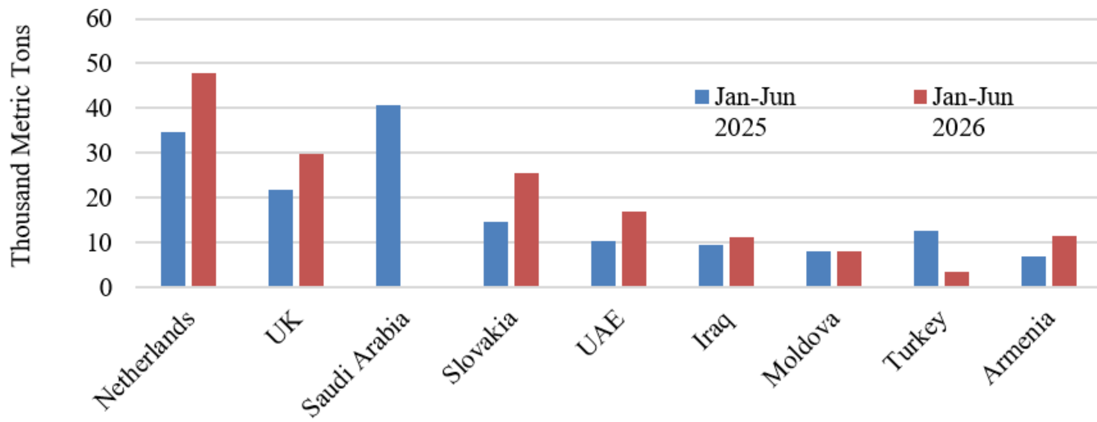
Figure 7: Ukraine's Poultry Exports to the United Kingdom



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

Post expects Ukraine's exports to the UK to grow in both 2026 and 2027, with Ukraine's production capacity being the only limiting factor, aside from formal technical restrictions involving facility approvals (Figure 8). Ukraine's 2027 exports to the UK may be comparable to Ukraine's exports to the entire EU. Although no information is available on the prospective 2028 TRQ, it is likely to be based on Ukraine's historical exports, thereby creating a major incentive for Ukraine to maximize exports, including at the expense of other markets, in 2026 and 2027. This development is already apparent in the decrease in 2026 exports to some Asian and FSU destinations. Exports to what was once the largest single country export market, Saudi Arabia, stopped completely, despite well-established cooperation between MHP and the Saudi government and the Saudi Agricultural and Livestock Investment Company, which holds a 13 percent stake in MHP. However, Ukraine's (MHP's) return to the market remains possible in the upcoming years.

Figure 8: Ukraine's Poultry Exports by Country

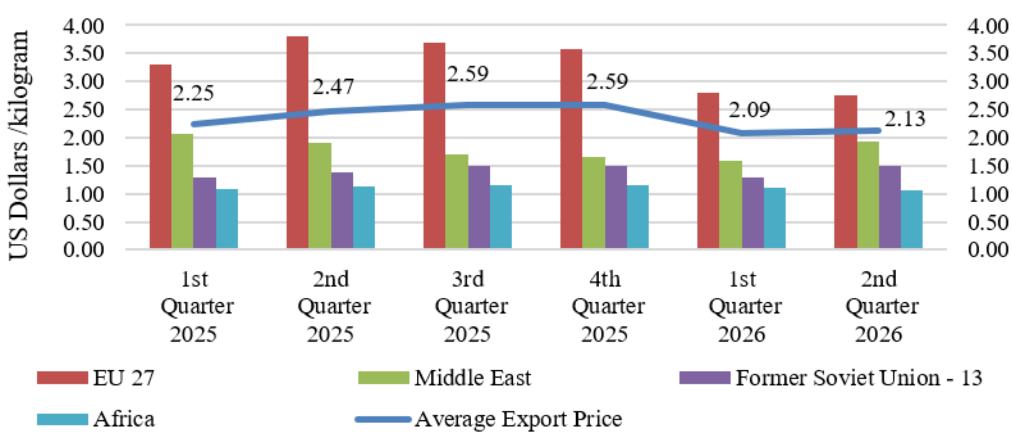


Source: Trade Data Monitor

Ukraine maintained chicken meat supplies to Iraq in 2026 despite the Iraqi government ban on chicken meat imports from 39 major exporters amid HPAI spread concerns. Contrarily to some mass media information, Ukraine was not included in the list and continued exporting.

Traditionally, the EU has been Ukraine's market of choice because of its high prices (Figure 9). However, the UK market price is comparable and in some months, even higher than EU market price, making it equally attractive.

Figure 9: Chicken Export Prices by Export Destination



Source: Trade Data Monitor

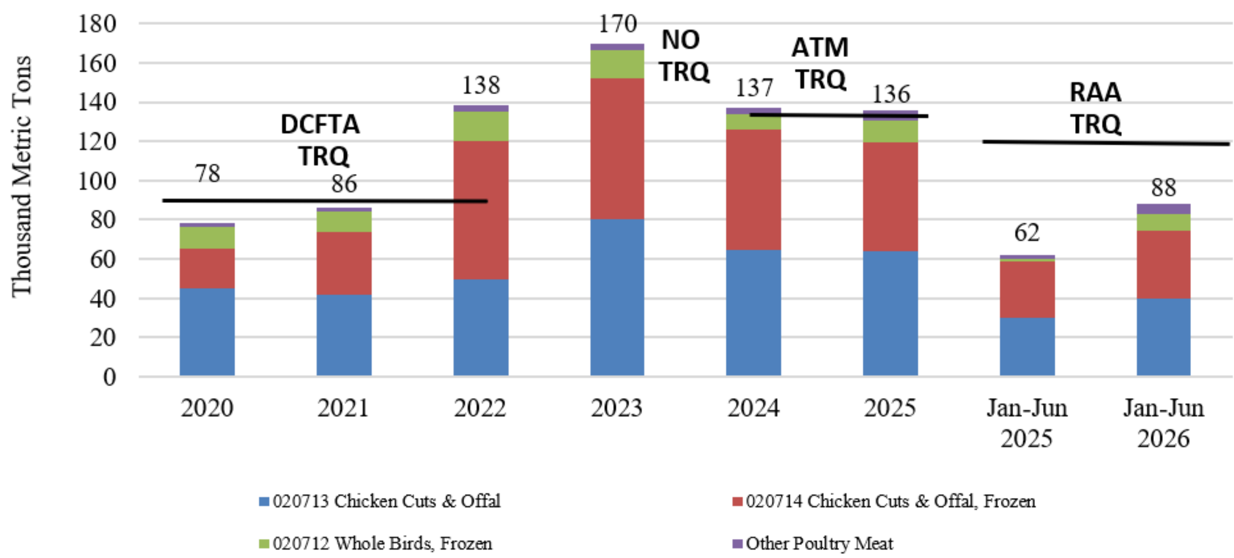
Exports to the EU

In 2027, MHP will be responsible for most exports to the EU. The number of EU-approved Ukrainian poultry producers, processors, slaughterhouses, and cold storage facilities increased by two in 2026, reaching 19 in total. The list contains many mid-sized Ukrainian facilities and both large MHP facilities. Lutsk Agrarian Company (Avesterra Group) is one of the most important additions to the list. According to management, the company is undertaking a major expansion program to compete with MHP both domestically and internationally.

Industry expects trade in 2026 and 2027 to be capped by the new Revised Association Agreement (RAA) TRQ of 120 TMT. Ukraine's exports will be close to that level with minor deviations. The EU and Ukraine negotiated this new import TRQ in October 2025, replacing both the Deep and Comprehensive Free Trade Agreement (DCFTA) permanent TRQ of 90 TMT and the temporary autonomous trade measures (ATM) TRQ (~133 TMT). This new RAA TRQ is reciprocal, establishing an equivalent import TRQ by Ukraine.

Exports in 2025 were turbulent as meat exporters faced the ATM TRQ, DCFTA TRQ, and RAA TRQ throughout calendar year (Figure 10). This uncertainty had a limited negative impact on Ukraine's production and total exports due to the availability of alternative markets.

Figure 10: Ukraine's Chicken Meat Exports to the EU



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

The RAA TRQ is likely to be stable for a period of time as Ukraine concentrates on other markets. Contacts stated producers will need to increase domestic production, settle in the UK with new TRQ in 2028, and orchestrate their return to some Middle Eastern markets. In 2026-2027, the need for the increased EU market is probably the lowest in the last decade. The growth of second-tier market players is likely to result in EU TRQ re-distribution in the upcoming years, but this will be the only development.

Other Export Destinations
Ukrainian producers operate new production facilities and concentrate on premium export destinations whenever possible. Exports to Africa remained stable after the start of the full-scale Russian invasion, but were well below pre-war levels, as Ukraine faced increased barriers in the EU and the UK. The same

is true for FSU countries. Access to many traditional markets of Central Asia and the Caucasus is complicated by military activity affecting the Black Sea and alternative transit routes. Trade flows are likely to stay the same or even deteriorate somewhat in cases where other markets will bring better sales.

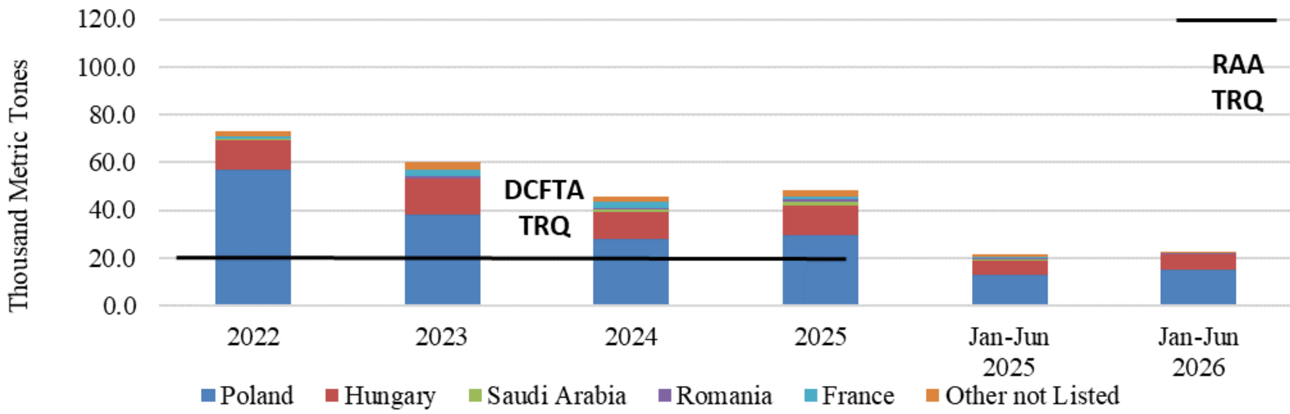
According to industry sources, most, if not all, of Ukrainian poultry exported to Türkiye is transshipped to Asian or African markets; however, the Ukraine-Türkiye FTA (ratified by the Ukrainian parliament on July 14, 2026, and now fully in force), envisages a 2,000 MT zero import duty TRQ for raw and processed poultry products.

Imports

Ukraine's imports of chicken offal and mechanically deboned meat (MDM) are set to increase in 2026 and decline in 2027, driven by new market access terms in 2026 and changes in Ukrainian poultry production in 2027 (Figure 11).

Ukraine imports limited quantities of low-cost chicken offal and MDM for further processing. Due to the very low price of this product category, Ukrainian domestic producers show little interest in the segment. However, imports gradually declined in recent years as domestic product slowly took over this niche. Due to geographic proximity and the offal market price situation, EU countries remain the only suppliers. In some years, very small qualities of imports were also registered from Saudi Arabia as part of bilateral trade deals with MHP and Moldova, which was atypical. Imports of poultry meat by Ukraine will remain a function of political deals and concentrate in low-quality, low-priced product.

Figure 11: Ukraine Chicken Meat Imports by Country



Source: Trade Data Monitor

Attachments:

No Attachments