Today the dairy industry is the leading link in the agroindustrial complex of Ukraine. But the production of dairy products is decreasing every year, therefore, in order to overcome this crisis, it is necessary to analyze the current state of production and realization of dairy products, to identify the causes and to give recommendations for further development. After all, in Ukraine there is a high economic, natural and climatic, labor potential of development of this branch. The purpose of this article is to systematize factors that affect the current state of the market of milk and dairy products in Ukraine, determining the directions of activation of the most important mechanisms for increasing the efficiency of the dairy industry in Ukraine. The article reviews the current state and prospects of the Ukrainian dairy market development. Production of dairy products is closely linked to a qualitative and sufficient raw material base, production technology, the state of the market infrastructure and consumer solvency. The shortage of raw materials and rising prices for milk and dairy products, the deterioration of the quality of raw materials and the production of dairy products suggests a negative trend in the development of the dairy market. There are a number of leaders who occupy the largest share of the dairy market by 2017.

An analysis of dairy product volumes for the last 5 years was also carried out. The export-import potential of the dairy industry has been investigated in recent years, in general, and by product types. The strategic directions of development of the milk and milk products market and its growth prospects are substantiated.