

## References

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## THE USA'S DAIRY INDUSTRY: STATE AND SUPPORT

### Молочная отрасль США: состояние и поддержка

Purpose: to study the features of the US dairy industry development.

According to the United States Department of Agriculture, total demand for dairy products in the United States has increased slightly in recent years, by less than 9 per cent since 2000, or less than 0.5 per cent annually. Consumption of dairy products as ice cream and liquid milk has fallen over the same period, while consumption of cheese and yoghurt has increased, and most other categories of dairy products (such as cottage cheese, butter, canned and dried milk products) are largely unchanged.

In many respects, the current conditions of demand / supply in the world market of dairy products, especially in developed countries, are an example of the «treadmill theory of technology adoption» in agriculture, which was formulated by Dr Willard Cochran (University of Minnesota) in the 1950s. Farmers introduce new technologies to reduce their costs, but if most do so, this often leads to overproduction of the goods. Prices fall, that is why they yield less revenue.

One the most important elements affecting the dairy industry success is the cost that farmers obtain for raw milk. During the five years up to 2020, the prices of the product were unstable, causing resulting in income to fluctuate. In 2018, the oversupply of dairy products led to a 7.9 per cent drop in milk prices, according to this a 9.3 per cent drop in industry revenue.

Support for dairy farming in the United States has been reorganized under the new Farm Act. In the Farm Bill of 2018 which was adopted at the end of the year, Congress attempted to respond to the milk crisis by making significant changes to the dairy products system of protection. In accordance with this dairy producers will be able to cover their production with both the Dairy Margin Coverage program (DMC)

(the replacement of the Margin Protection Program) and the Livestock Gross Margin insurance for dairy products offered under the Crop Insurance program. The Margin Protection Program (MPP) is a voluntary program of risk management for dairy producers that offers protection to dairy producers when the average estimated margin of dairy production between the national all milk price and the national average feed cost falls below a certain dollar amount selected by the producer for a consecutive two-month period. Under the Dairy Product Donation Program (DPDP) dairy products are purchased for distribution to low-income Americans when the milk margin falls below the legislated trigger.

Dairy farm owners will be entitled to obtain a refund of some of the premiums they paid under the Margin Protection Program, a benefit calculated to cost \$58 million for all producers. Dairy farmers who commit to keep the same DMC coverage level during the bill farm lifetime will receive a 25 percent discount on their premiums. Nevertheless, the price of milk was increased by 13.2% and it was immediately followed by a 12.5% increase in revenue. While changing prices have caused significant volatility, the industry has received a net gain in proceeds. Industry revenue has increased at an annualized rate of 1.2% to \$41.5 billion over the five years to 2020, including an increase of 0.9% in 2020 alone.

Milk and the Dairy Farms industry demand is projected to grow in accordance with rising processing demand over the five years to 2025 that's why milk production is also expected to increase primarily reflecting growth to the dairy flock in conjunction with continued gains in milk per cow. It's forecast to reduce dairy farm prices in the early part of the period but to ramp up in the middle and later years of the projection horizon to 2025. Regardless of milk prices stabilization and projected profits gain, government assistance and consolidation among farms will remain, further aiding industry operators' profit during the outlook period.

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## **SPECIFICS OF DOING BUSINESS IN IRELAND**

### **Особенности ведения бизнеса в Ирландии**

Sometimes it is very difficult to start up your own business and it takes a lot of time and money. However, there are some places in our world where you can set up your own business much easier than in other parts of the world. For example, in Ireland. The main purpose of this research is to understand why Ireland attracts executives from all over the world.