



MINISTRY
OF AGRARIAN POLICY
AND FOOD
OF UKRAINE

STATE OF AGRARIAN REFORMS IN UKRAINE

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OF UKRAINE
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GLOBAL FOOD SECURITY

1

The world's population is expected to grow from **7bln** to **9.2bln** by 2050

2

805 million people suffered from chronic hunger in 2014

3

Global food production has to be increased by **60%** by 2020

4

Ukraine has nearly **30%** of the world's black soil

5

Ukraine's export grew **3.6** times from 2005 till 2014 (from \$4.7bln to \$17bln)



TOP-3 WORLD EXPORTERS OF GRAIN

in 2014/2015 marketing year
forecast for 2015/2016 marketing year



83.1 2014 - 2015
mln tons

84.5 2015 - 2016
mln tons



50 2014 - 2015
mln tons

42 2015 - 2016
mln tons



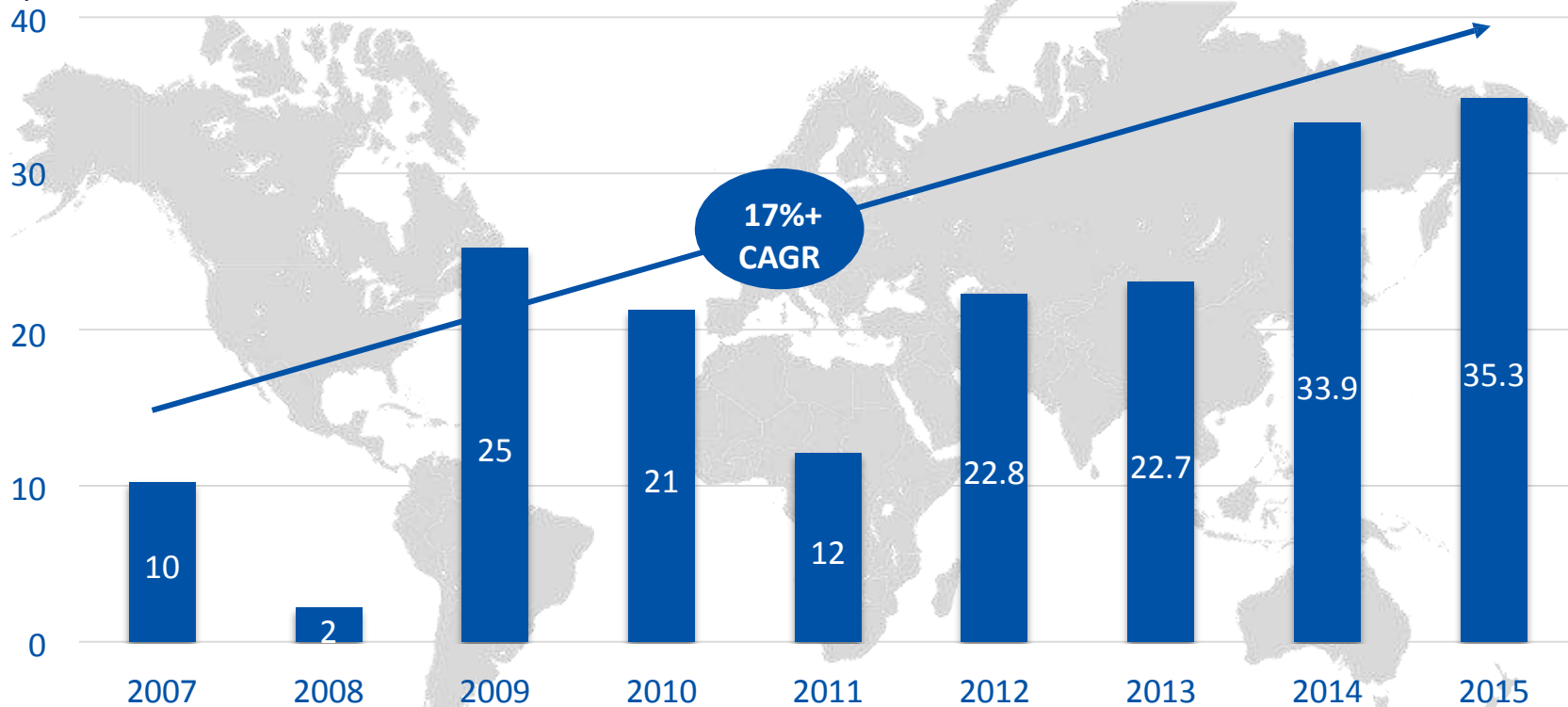
34.8 2014 - 2015
mln tons

36 2015 - 2016
mln tons



RECORD UKRAINIAN EXPORTS IN 2015

Grain exports, in million metric tons



#1 in sunflower oil



#3 in corn



#6 in wheat



#3 in total grains



#4 in barley



#7 in soy





UNIFIED COMPREHENSIVE STRATEGY FOR AGRICULTURE AND RURAL DEVELOPMENT IN UKRAINE 2015-2020

№1

Approximation to the EU standards

- 1.1. Food safety, sanitary and phytosanitary issues
- 1.2 Other provisions notably covered by Resolution №847

№2

Deregulation

1. Abolishment of unjustified legal and administrative acts
2. Reform of state agricultural property and state-owned agro-enterprises
3. Assessment of deregulation actions taken

№3

Factors of Production

- 3.1. Land reform
2. Access to financing
3. Upgrading and modernization of production and processing capacities
4. Infrastructure and logistics

№4

Agricultural policy and Innovation

1. Research, training and advisory services
2. Agricultural education reform
3. Agro-intelligence and innovation

№5

Production and market management

1. Food security, State Food Reserve and Agrarian Fund, price regulation
2. Market, import and export management
3. Producers organization

№6

State support and Taxation

1. Taxation
2. Assessment and simplification of the state support to agriculture

№7

Rural Development

1. Support to small farms
2. Improvement of quality of life in rural areas
3. Local governance

№8

Environmental resources management

1. Water, land, pesticides, nitrates and minimal environmental standards
2. Organic farming
- 8.3 Forestry and bioenergy
- 8.4. Fishery



CUTTING THROUGH RED TAPE AND FIGHTING CORRUPTION

Already done

- ✓ Eliminated **6** licenses and 14 permits
- ✓ Simplified agricultural land lease agreements
- ✓ Strengthened protection of investors' rights
- ✓ 106 vacancies at state enterprises opened to competitive, open selection process
- ✓ Electronic auctions introduced
- ✓ 135 criminal corruption investigations launched

Coming soon

- Privatization of **86** state enterprises
- Elimination of **118** permits & licenses
- Liberalization of the **land market**
- Implementation of **crop receipt** and **agro insurance** systems
- Harmonization of Ukrainian agricultural legislation with EU standards
- Automated procurement system for ministry and agricultural state enterprises



REFORMS OF FISHING INDUSTRY IN UKRAINE

REFORM OF FISHERY PROTECTION AUTHORITIES



Fishery protection authorities' reorganization



Recruiting and training the new inspector collective



Renovation of material and technical facilities

NEW FISHERY RULES



Change in order of quota distribution



Simplification of administrative procedures



Division of recreational and industrial fishing zones



Introduction of system of electronic reporting

AQUACULTURE DEVELOPMENT



Creating the unified electronic register of basins for aquaculture



Simplification of water bodies and water development facilities' rent procedure and the rent price reduction



Increase of rent duration

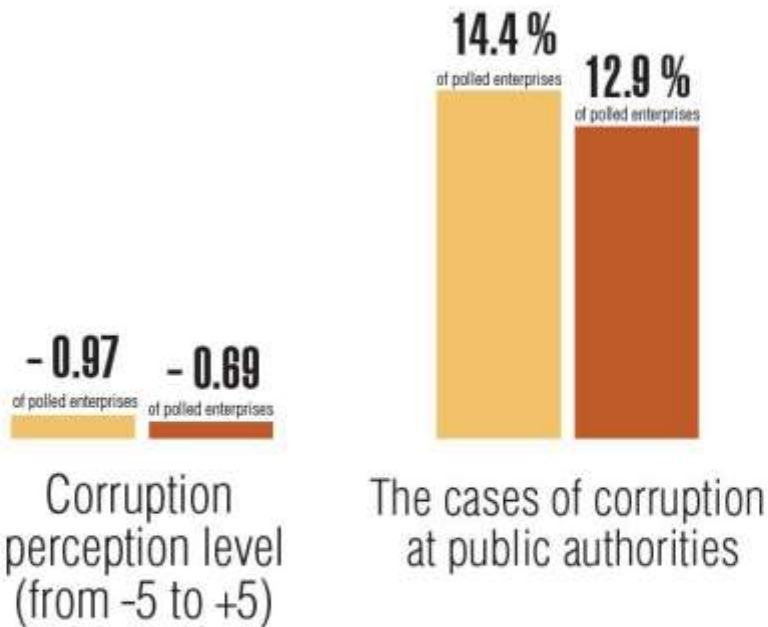


FIGHTING CORRUPTION IN THE AGRARIAN SECTOR OF UKRAINE AS VIEWED BY BUSINESS

(April-September 2015)

2271 enterprises polled

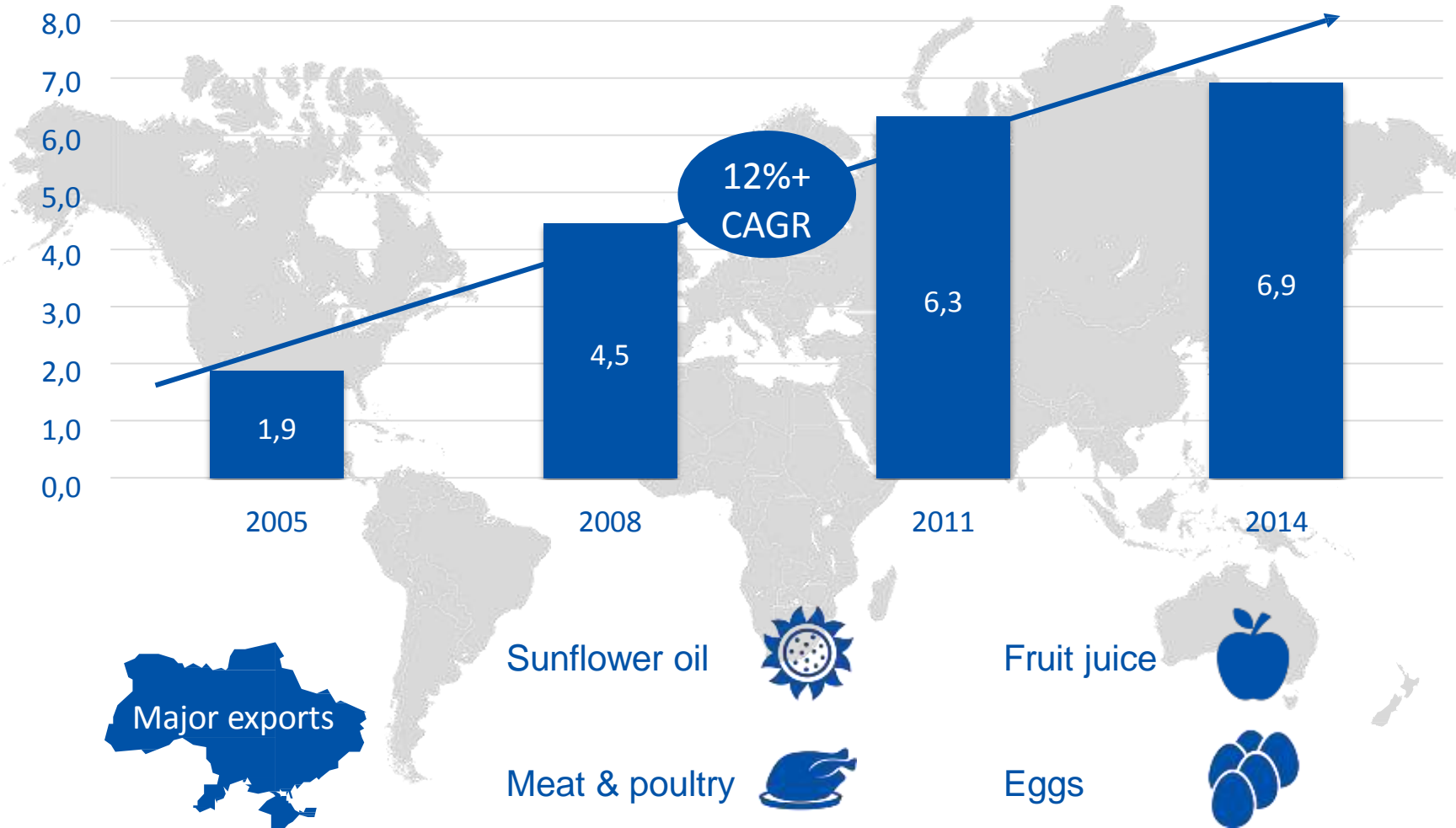
The initiative partners:





VALUE ADDED GOODS ARE A SIGNIFICANT PART OF EXPORTS

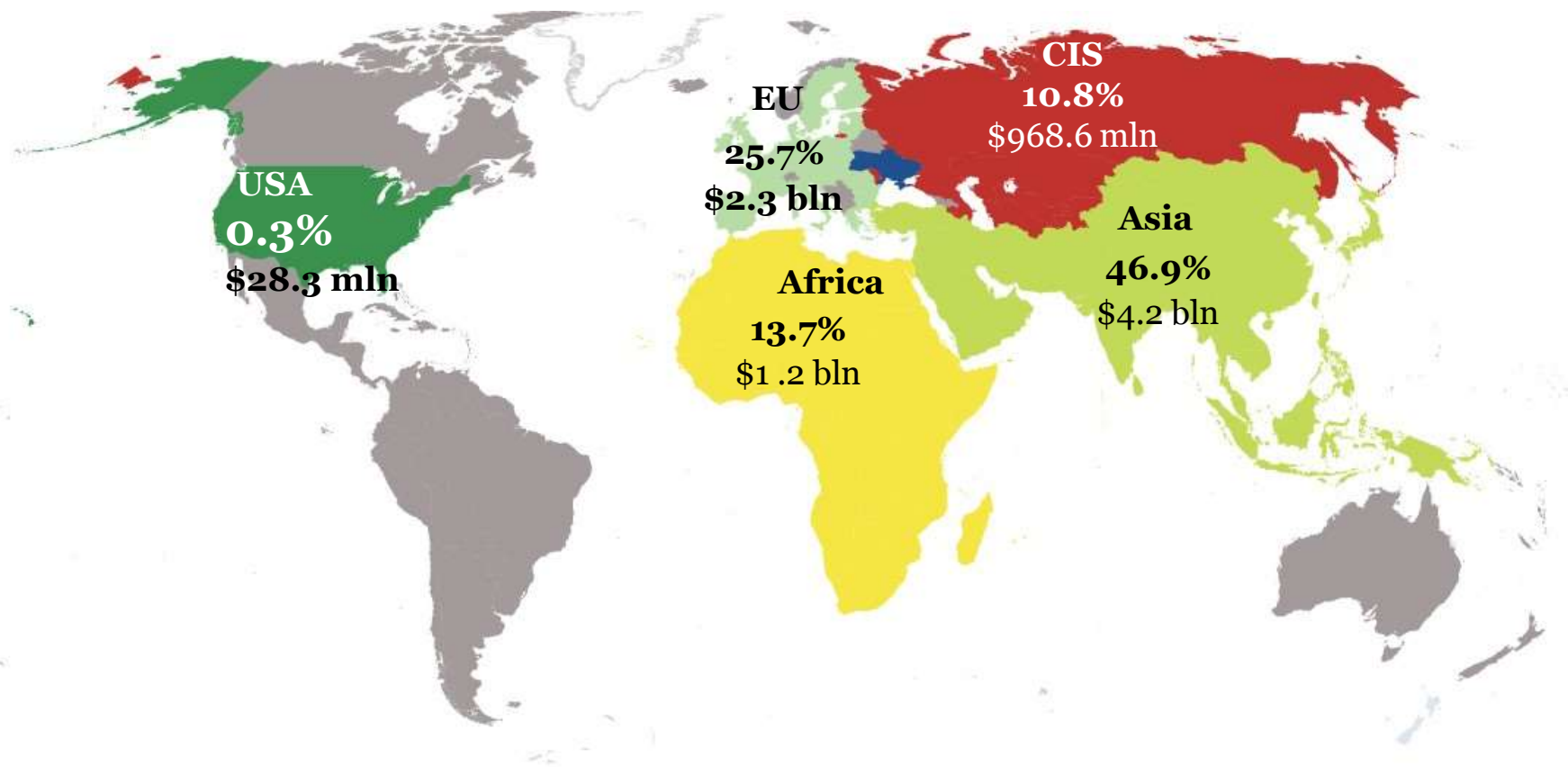
Value added agricultural exports, in bln. dollars





UKRAINE'S AGRICULTURAL EXPORT – LEVERAGING DIVERSITY

8 months of 2015



Other countries – 2.6% (\$238.1 mln)



UKRAINE'S EXPORTS OF PROCESSED PRODUCTS TO THE EU

Total agrarian export to the EU:



Total agrarian import from the EU:





UKRAINE-GERMANY: EXPORT AND IMPORT OF AGRARIAN PRODUCTS

Export of Ukraine agrarian products to Germany

9 months of 2014 products 9 months of 2015

\$ 77.7 mln. grain cereals \$ 46.3 mln.

\$ 21.1 mln. honey \$ 15 mln.

\$ 2.4 mln. meat and subproducts \$ 12.3 mln.

\$ 45.5 mln. seeds of oilseed crops \$ 9.2 mln.

\$ 2.7 mln. processed vegetables and fruits \$ 3.5 mln.

\$ 203.4 mln. Total export \$ 126.2 mln.

Import of German agrarian products to Ukraine

9 months of 2014 products 9 months of 2015

\$ 30.8 mln. tobacco products \$ 23.1 mln.

\$ 22 mln. essential oils \$ 15.6 mln.

\$ 43.3 mln. meat and subproducts \$ 15.9 mln.

\$ 19.6 mln. seeds of oilseed crops \$ 13.1 mln.

\$ 28.2 mln. cocoa beans and chocolate \$ 14.3 mln.

\$ 18.1 mln. livestock \$ 14 mln.

\$ 411.6 mln. Total import \$ 246.2 mln.



UKRAINIAN SECTORS WITH ATTRACTIVE RETURNS FOR INVESTORS

Value-added production



- Processing & packaging
- Cold chain
- High value-added crops (fruits & nuts)

Infrastructure



- Grain storage & handling
- Irrigation canals
- Rail cars
- Ports & logistics

Finance



- Equipment financing
- Working capital facilities

Ukraine



Competitive advantages in agriculture

- ✓ 41 million hectares of farmland
- ✓ Over **30%** of the world's most fertile black soil
- ✓ Favorable weather
- ✓ Good access to water
- ✓ High skill, low cost workforce
- ✓ Strategic location between the EU, Asia and the Middle East



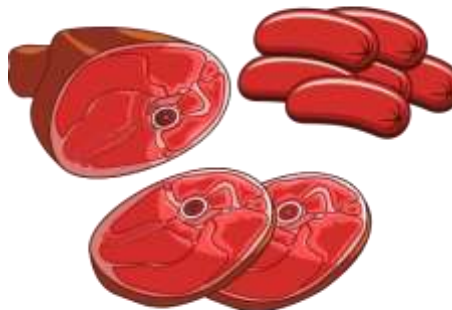
UKRAINIAN SECTORS WITH ATTRACTIVE RETURNS FOR INVESTORS

Processed fruit & veg



- 600 K ha of open irrigated land
- 10,000+ fruit & vegetable farms
- Much of current production spoils
- Clean water for processing
- Demand from MENA and EU
- Specialty crops (i.e. asparagus) can be grown for Asian markets

Meat & Meat Products



- Low cost animal feed
- Good access to rural utilities
- Growing domestic demand
- Massive demand for chicken in the Middle East and North Africa (MENA)
- Availability of technical personnel

Finished Goods



- Fragmented market
- Follows food trends
- Growing domestic demand
- Rapid growth of supermarkets



A clear agrarian policy...

1

From commodities to **value-added products**

2

From regulation to **free competition**

3

From loss-making state-owned enterprises to **profitable private companies**

...in service of ambitious goals

100

Produce 100 mln tons of grain

2X

Double exports

3X

Triple production of value added goods



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THANK YOU FOR YOUR ATTENTION!

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