



american  
seed trade  
association

## Direction of The Ukraine: A Market with Potential



### Who We Are

ASTA is the leading voice of action in all matters concerning the development, marketing and movement of seed, associated products and services throughout the world. ASTA promotes the development of better seed to produce better crops for a better quality of life. Through the USDA Cooperator Program, ASTA helps create, expand and maintain long-term export markets for U.S. seed exports and promotes U.S. seeds overseas.

### Challenges



Expanding into international markets adds risks. Gathering information about the market and finding business partners can be challenging and expensive. In addition to traditional business and political liabilities, there are Ukraine-specific perils of which potential exporters must be aware of. These include a 2-3 year, non-transparent variety registration system, weak intellectual property rights (IPR) protection and enforcement, and a lack of phytosanitary testing infrastructure.



### ASTA's Efforts

In 2015, ASTA brought two senior delegates from the Ukrainian Ministry of Agriculture to ASTA's CSS Conference and Seed Expo. Here, the representatives were able to learn more about the U.S. seed industry and have private meetings with conference attendees wishing to learn more about the Ukraine. When asked about IPR, the delegates pointed to a new seed law passed in December 2015, that includes more stringent IPR language, which should address some of the U.S. concerns. ASTA is investigating a potential activity with the U.S. Patent and Trademark Office attaché in the Ukraine to monitor implementation of the new law and address IPR concerns not solved by the law.

## Benefits of the Ukraine



The Ukraine has over 40 million hectares of the arable land, the 8th largest in the world. Agriculture accounted for 12% of the Ukraine's GDP in 2014, up from 7% in 2008. The Ukraine possesses 30% of the world's richest black soil. The agricultural industry in Ukraine is already highly profitable, with 40-60% profits, but with agricultural improvements analysts believe outputs could still rise up to fourfold. The Ukraine's major crops include: wheat, sunflower, sugar beets, potatoes, barley, and rapeseed. Grains and legumes accounted for 54% of major crops produced and vegetables another 9%.

Figure 1: 2014 Crop Production, MMT

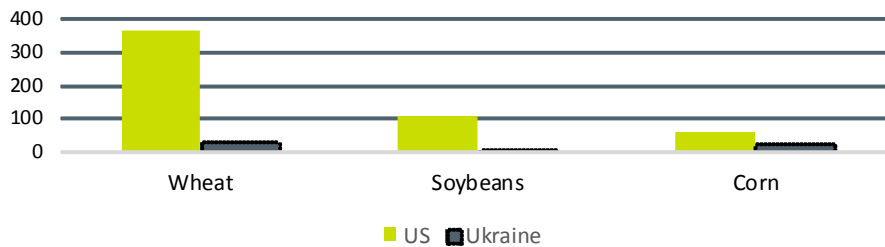


Table 1: Global Rank

	US	Ukraine
Corn	1st	5th
Soybeans	1st	8th
Wheat	5th	8th
Barley	7th	3rd
Sunflower	7th	1st



## Bottom Line

The Ukrainian seed market grew by 43% between 2008 and 2013 to nearly \$400 million, see Figure 3 to the left. Yet, the majority of the Ukraine's domestic seed demand is still met by imported seed, with the highest percentages in high-value vegetable seeds and hybrids, see Figure 4. Government officials estimate that the Ukraine imported another \$500 million worth of seed, including \$20 million from the U.S.

Figure 3: Ukraine Seed Market Value, Million USD

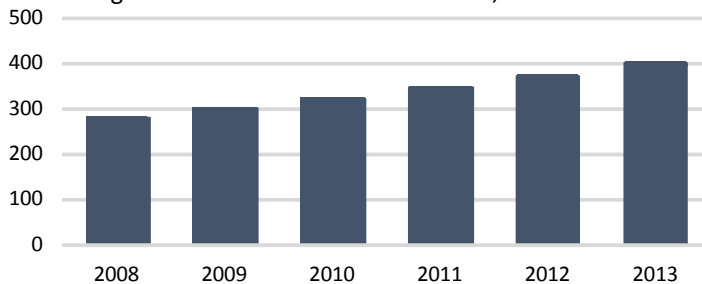
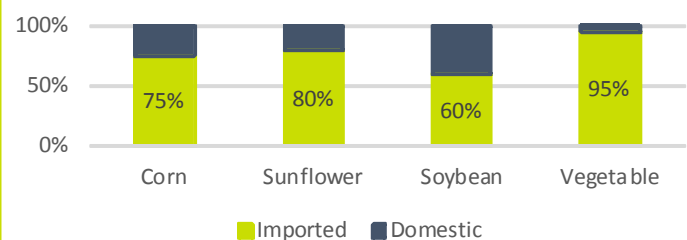


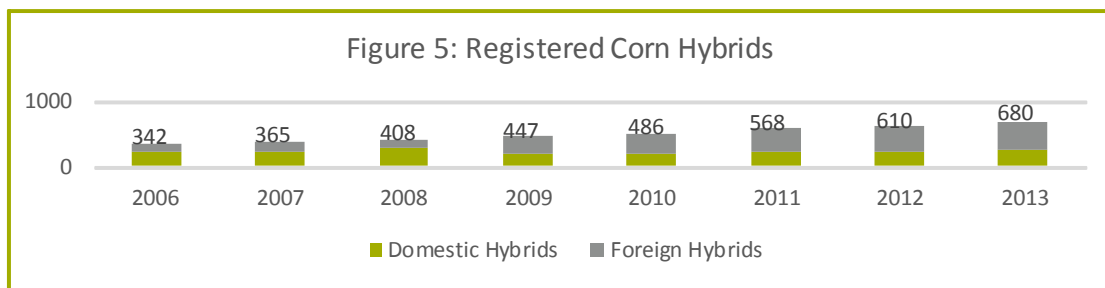
Figure 4: Percent of Imported Seed, by Type





## Bottom Line

Government officials estimate that half of the Ukraine's 8,000 registered seed varieties are from foreign companies. The graph below shows hybrid registration trends in the Ukraine. In 2013, over 400 foreign-bred hybrids were registered and only 250 Ukraine-bred hybrids.



## Why it Matters



As the conflict with Russia continues, the Ukraine has taken steps to align itself with Europe, thus making them more receptive to Western and NATO regulations, including UPOV 1991, for plant variety protection. This opening provides ASTA and the U.S. industry with an opportunity to influence long-term policy changes that can bring benefits for the agriculture industry.



## About This Report

Countries. (n.d.). Retrieved January 29, 2016, from <http://www.tradingeconomics.com/countries>

IndexMundi - Country Facts. (n.d.). Retrieved January 27, 2016, from <http://www.indexmundi.com/>

Ukraine Agriculture Stats: NationMaster.com. (n.d.). Retrieved January 27, 2016, from <http://www.nationmaster.com/country-info/profiles/Ukraine/Agriculture/All-stats> Ukraine Seed Market Outlook to 2019: Compelling Growth Opportunities for Foreign Seed Producers, Ken Research, 2014.

\*\*Ukraine: Seed market, UkrAgroConsult, 2014.

\*\*United States Department of Agriculture

\*\*Items can be found on members-only Section of ASTA website