

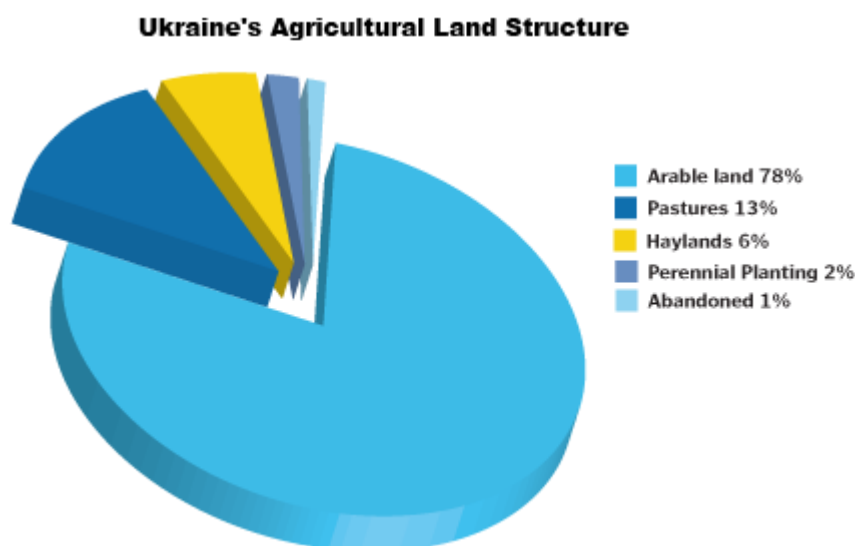
## Agriculture in Ukraine

Ukraine has the largest area of agricultural land in Europe with approximately 43 m ha of land out of which 32.5 m ha are used for crop production. Fertile soil (Ukraine accounts for c.25% of global black soil, known as “chernozem”) and moderate climate give Ukrainian agri producers strong competitive advantages.

Ukraine’s rich, black soil is one of the country's greatest resources. It is becoming increasingly important to the rest of the world.

The vast fields of wheat, barley, rye, oats, sunflower, rapeseeds and other grain and oil crops have long made Ukraine a “breadbasket.” In 2011, the country enjoyed a record harvest of 56.7 million tons of grain. That growth in harvest is a major boon from just two years ago when the grain harvest was 40 million tons.

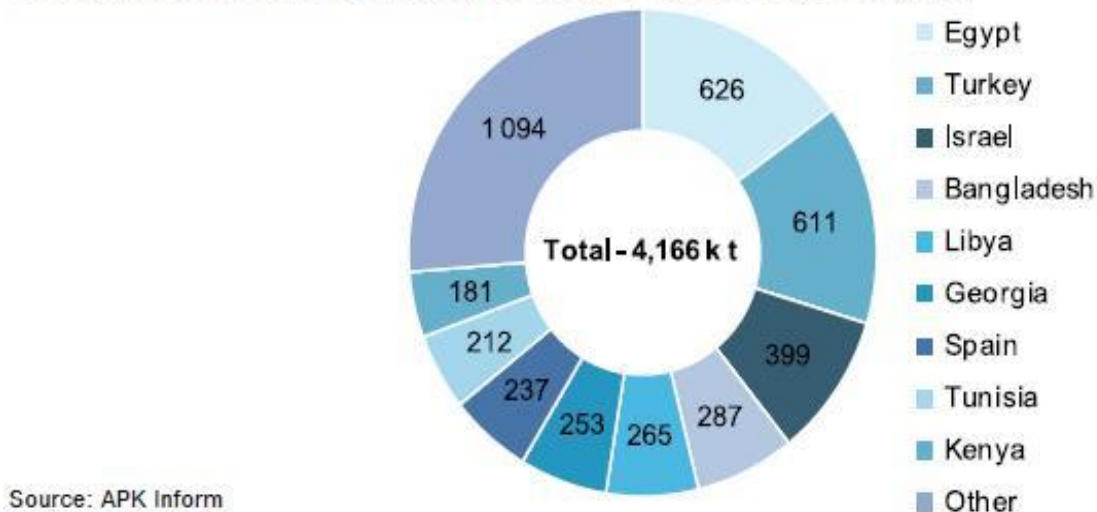
Ukraine exports substantial amounts of grains, vegetables, sugar, sunflower oil, milk powder and meat. The government is already encouraging the production of fruits, berries and grapes, including the revitalization of a wine industry that once supplied the Czars and royal families. There is still enormous potential for further development of the country’s agricultural land, and Ukraine is poised to become a global player in food production.



Source: The Ministry of Agrarian Policy and Food of Ukraine

Currently Ukraine is one of the world’s market leaders in exports of sunflower oil and barley. In recent years Ukraine has been producing around 40-50 m t of grain per year and has regained its status of a major supplier of grains to world markets. Ukraine’s agricultural export propensity is supported by additional geographic advantages.

## Ukrainian wheat export by countries in 2010/2011, k t



Ukrainian agricultural holdings have higher efficiency than world peers mainly due to low production costs (inexpensive labor force and low land rent rates). On the other hand, fertile soils allow reaching comparatively high crop productivity at a low fertilizer usage.

### Ukrainian soils

From northwest to southeast the soils of Ukraine may be divided into three major aggregations: a zone of sandy podzolized soils; a central belt consisting of the black, extremely fertile Ukrainian chernozems; and a zone of chestnut and salinized soils.

The podzolized soils occupy about one-fifth of the country's area, mostly in the north and northwest. These soils were formed by the extension of postglacial forests into regions of grassy steppe; most such soils may be farmed, although they require the addition of nutrients to obtain good harvests.

The chernozems of central Ukraine, among the most fertile soils in the world, occupy about two-thirds of the country's area. These soils may be divided into three broad groups: in the north a belt of the so-called deep chernozems, about 5 feet (1.5 metres) thick and rich in humus; south and east of the former, a zone of prairie, or ordinary, chernozems, which are equally rich in humus but only about 3 feet (1 metre) thick; and the southernmost belt, which is even thinner and has still less humus. Interspersed in various uplands and along the northern and western perimeters of the deep chernozems are mixtures of gray forest soils and podzolized black-earth soils, which together occupy much of Ukraine's remaining area. All these soils are very fertile when sufficient water is available. However, their intensive cultivation, especially on steep slopes, has led to widespread soil erosion and gullying.

The smallest proportion of the soil cover consists of the chestnut soils of the southern and eastern regions. They become increasingly salinized to the south as they approach the Black Sea.

*As of November 1, Ukraine harvested over 52 mln tonnes of grains.*

As of November 1, Ukraine harvested 52.315 mln tonnes of grains and pulses throughout the areas of 14.089 mln ha (89% of the plan), with the average yield of 3.72 t/ha, declared the Ministry of Agrarian Policy and Food of Ukraine. According to the Ministry, on the same date last year agrarians harvested 41.391 mln tonnes of grains throughout 13.773 mln ha, with the average yield of 3.01 t/ha. But as of the reporting date in 2013 agrarians harvested 19.96 mln tonnes of maize for grain throughout 3.181 mln ha (66%), with the average yield of 5.96 t/ha.

Agrarians of Ukraine continued harvesting rice. To date the harvested areas reached 19.9 thsd ha (82%), the production – 125.3 thsd tonnes, the yield – 6.3 t/ha.

As of the reporting date, agrarians harvested sunflower seed throughout 4.657 mln ha (96%), and produced 9.736 mln tonnes of the grain with the average yield of 2.09 t/ha.

Agrarians harvested soybeans throughout 1.186 mln ha (87%), and produced 2.384 mln tonnes of the oilseed, with the yield of 2.01 t/ha.