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Ukraine

Oilseeds and Products

Oilseeds and Products Voluntary Report

2008

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Report Highlights:

The record high price for rapeseed and strong export demand resulted in record high exports. Sunflower seeds and sunflower oil were subject to export quotas in April and May 2008. The sunflower sown area for marketing year 2008/2009 is 4.1 million hectares and is one of the highest on record.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Kiev [UP1]
[UP]

Policy

Export Quotas

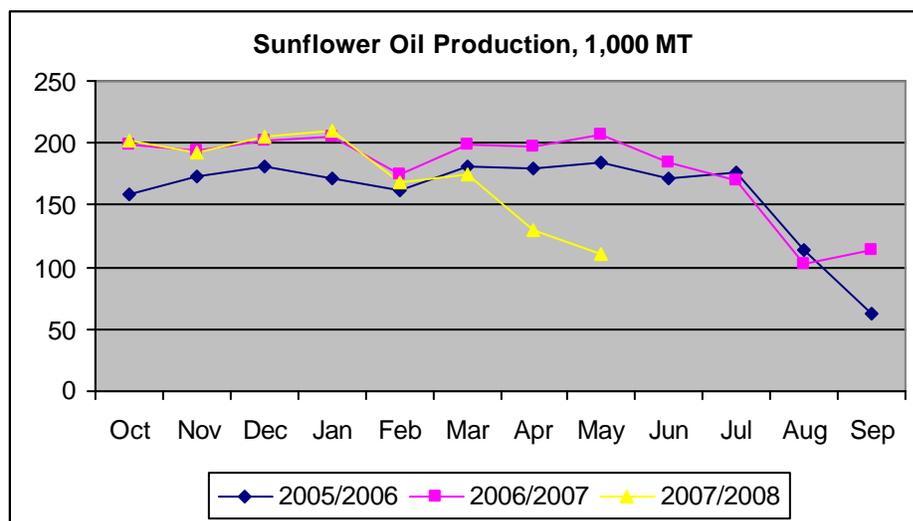
On March 22, 2008, the government of Ukraine (GOU) introduced sunflower oil and sunflower seed export quotas of 300,000 tons and 1,000 tons, respectively. The justification was to decrease the retail price of bottled sunflower oil in the domestic market. As a consequence, sunflower oil and seed exports almost stopped in April and May 2008.

The President of Ukraine was strongly against this policy and on May 28, 2008 he signed Decree # 481/2008 that suspended all previous resolutions from the Cabinet of Ministers relating to sun oil export quotas. (The decrees that were voided were: No 189 dated March 12, 2008, No 229 dated March 19, 2008 and No 488 dated April 23, 2008.)

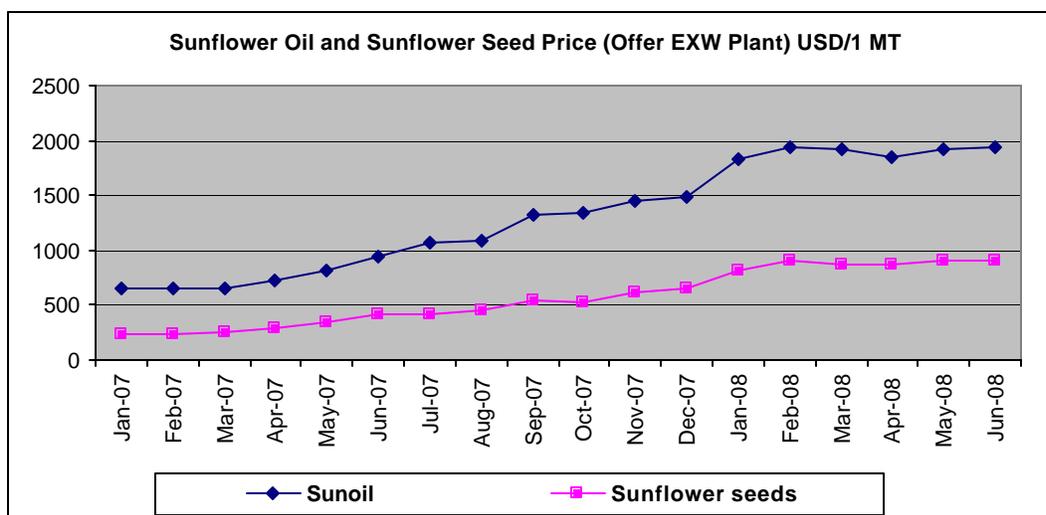
The President explained that sunflower oil export quotas were introduced without having a realistic estimate as to the amount of product found in the domestic market. He added that export quotas could lead to negative consequences for the domestic fat-and-oil industries. Also considered were Ukraine's obligations in the WTO and their commitment not to introduce new export quotas.

Market

Sunflower oil production decreased by 12% in October 2007 - May 2008 compared to the same period during the previous year. Both sunflower oil and sunflower seed prices decreased slightly but rebounded quickly and in one month returned to their high level.



Source: State Statistics Committee of Ukraine



Source: APK-Inform agency

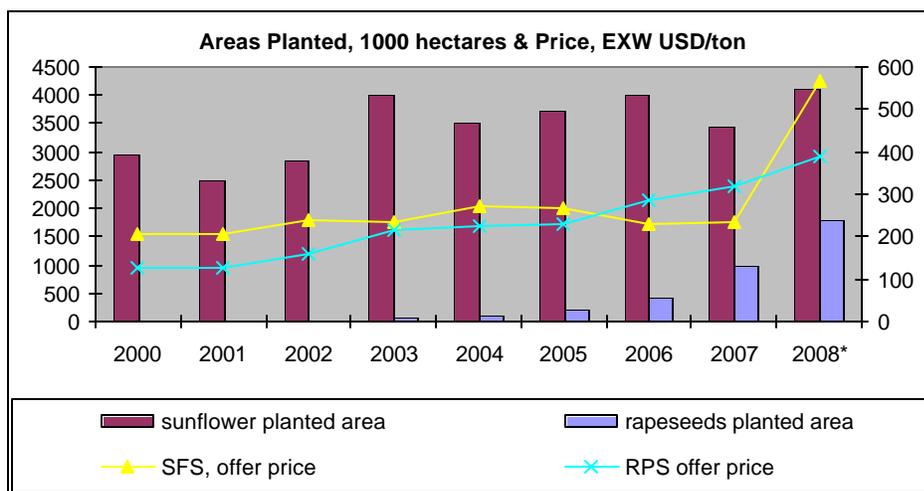
Export

The export of rapeseed and soybeans has practically stopped due to the very low supply of seeds and low stocks. Sunflower seed stocks are high but exports are expected to be very low as a result of high prices and the export restrictions that were implemented in April and May.

Sunflower oil exports resumed in June, following the President's cancellation of the export quotas.

Perspectives for Marketing Year 2008/2009

According to official statistics, the sunflower sown area reached 4,073,000 hectares on June 2, 2008, compared to 3,421,000 hectares the previous year. The final number for the sunflower sown area will be released in the middle of July 2008. The area planted is close to a record high and was driven by the record high profitability of sunflower this year.



Statistical Tables

Sunflower Seed Oil Exports by Month and Destination for MY 2007/2008

Country	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	TOTAL
United Kingdom	10	7	8	4	13	4	6	6	56
Russia	12	10	9	7	8	19	3	17	85
Netherlands	16	48	16	34	14	6	3	0	138
Belarus	5	5	4	2	2	1	1	2	22
Kazakhstan	0	2	3	2	2	1	0	0	10
Georgia	4	2	4	0	1	1	0	0	13
Portugal	0	7	11	0	0	0	0	0	18
Romania	0	8	6	0	0	0	0	0	15
Poland	3	3	2	2	2	3	0	2	18
Morocco	0	6	0	0	6	0	0	0	12
Saudi Arabia	0	0	7	0	9	4	0	0	20
Slovenia	0	0	3	0	3	0	0	0	5
Spain	14	16	21	3	13	3	0	0	70
Switzerland	0	0	0	0	3	9	0	0	12
Syria	0	0	9	0	2	2	0	0	13
Egypt	8	12	17	7	6	9	0	0	58
United Arab Emirates	0	0	9	1	0	0	0	0	10
Turkey	6	12	11	18	42	26	0	3	117
Bulgaria	5	1	3	2	0	0	0	0	10
Algeria	0	0	0	0	5	0	0	0	5
France	31	6	18	7	12	11	0	0	84
Greece	0	5	4	7	1	5	0	5	27
Iran	0	0	0	8	0	0	0	0	8
Italy	14	16	15	3	22	6	0	3	79
Jordan	0	0	5	0	1	1	0	0	7
Others	9	5	10	9	11	16	0	18	79
TOTAL	137	171	195	115	178	126	14	56	992

Source: State Statistics Committee of Ukraine

Rapeseed Exports by Month and Destination for MY 2007/2008

Country	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	TOTAL
Turkey	19	66	13	25	5	3	1	0	7	1	1	141
France	6	15	31	58	22	6	0	0	0	0	0	137
Greece	0	0	0	13	0	0	0	0	0	0	0	13
Hungary	0	0	3	0	5	2	2	0	0	0	0	12
India	2	4	3	1	1	0	0	0	0	0	0	10
Israel	0	13	0	0	2	0	0	0	0	0	0	16
Bangladesh	4	1	4	0	0	1	0	0	0	0	0	10
Belgium	0	0	0	25	0	0	0	0	0	0	0	25
Saint Vincent	0	0	0	9	0	0	0	0	0	0	0	9
Spain	0	20	0	5	7	0	11	0	0	0	0	43
United Arab	0	0	45	5	0	0	0	0	0	0	0	49

Emirates												
United Kingdom	0	2	3	1	0	0	0	0	0	0	0	6
Nepal	0	1	1	1	0	0	0	0	0	0	0	3
Netherlands	29	33	0	29	10	0	0	0	0	0	0	101
Pakistan	1	134	56	25	35	0	0	1	0	0	0	252
Panama	0	0	1	0	2	4	0	0	0	0	0	7
Poland	0	1	3	1	4	3	0	1	0	0	0	12
Portugal	0	15	14	26	0	4	0	0	0	0	0	60
Others	0	0	0	0	0	0	0	0	0	0	0	1
TOTAL	61	305	176	222	94	23	14	1	7	1	1	906

Source: State Statistics Committee of Ukraine

Soybeans Exports by Month and Destination for MY 2007/2008

Country	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	TOTAL
Russia	0	0	0	3	12	8	6	4	0.9	33
Greece	0	0	9	5	10	11	7	3	0	44
Moldova	0	10	13	2	0	0	0	0	0	24
Romania	0	0	3	0	0	0	0	0	0	3
Syria	0	0	0	6	0	0	0	0	0	6
Turkey	0	4	8	20	9	2	9	0	0	52
Egypt	0	0	0	3	0	0	0	0	0	3
Hungary	0	0	0	1	0	1	0	0	0	3
Italy	0	4	0	11	0	6	0	0	0	21
Others	0	0	0	0	0	0	0	0	1	1
TOTAL	0	17	33	51	31	28	21	7	2	190

Source: State Statistics Committee of Ukraine

Sunflower Seed Exports by Month and Destination for MY 2007/2008

Country	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	TOTAL
Turkey	0	0	25	26	0	3	0	0	0	53
Moldova	0	0	3	3	0	0	0	0	0	7
Netherlands	0	0	2	0	0	0	0	0	0	2
Bulgaria	0	0	1	0	0	0	0	0	0	1
Georgia	2	2	4	0	0	0	0	0	0	8
Greece	0	2	0	0	0	0	0	0	0	2
Others	0	0	1	0	0	0	0	0	0	2
TOTAL	2	4	34	30	0	3	0	0	0	75

Source: State Statistics Committee of Ukraine