

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Green Light for Ukrainian Seeds to the EU

**Country:** Ukraine

**Post:** Kyiv

**Report Category:** Planting Seeds, Trade Policy Monitoring

**Prepared By:** Denys Sobolev

**Approved By:** Robin Gray

**Report Highlights:**

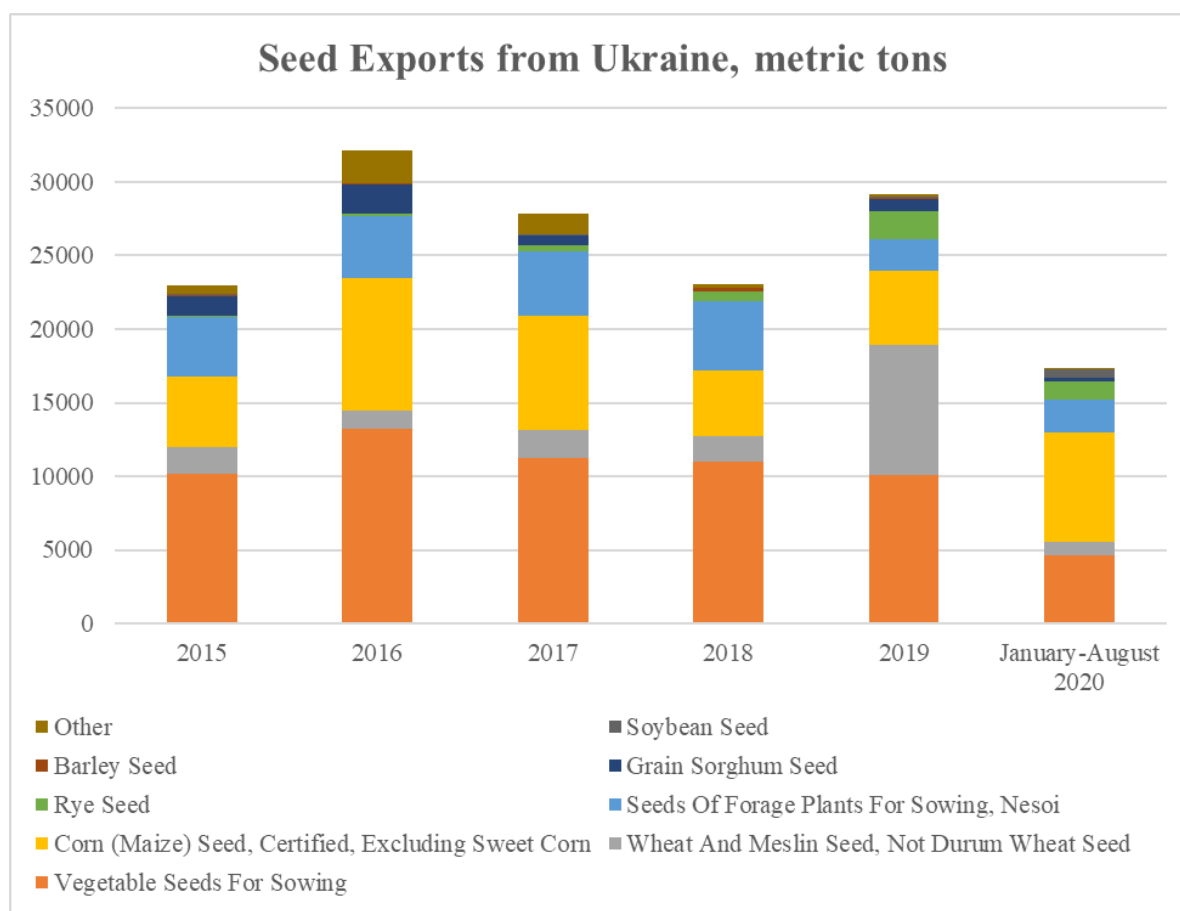
European Parliament has recognized equivalence of cereal seed produced in Ukraine. Growth of corn seed exports to the EU by international seed companies might be the most likely outcome. These might be followed by wheat and barley seed exports to the European market.

The European Parliament amended [Council Decision 2003/17/EC](#) to recognize the equivalence of cereal seed produced in Ukraine. The relevant [Decision 2020/1544 of the European Parliament and of the Council](#) (Seed Equivalence Decision) was published on October 21, 2020.

The Ministry of Economic Development, Trade and Agriculture (MEDTA) was named as Ukraine’s officially certification authority. In accordance with Ukrainian seed laws: MEDTA executes the policy-making functions and is responsible for maintaining Ukraine’s official seed registry, while the State Service for Food Safety and Consumer Protection (SSFSCP) of Ukraine maintains the practical control over all stages of seed production and trade (including exports and imports), as well as managing data relevant to the seed registries in custody of MEDTA.

According to Deputy Minister Taras Kachka MEDTA ([in Ukrainian](#)), this decision should encourage global seed companies to produce seed in Ukraine with the purpose of subsequent export to the European Union.

In this report, FAS Kyiv is considering the potential future impact of the Seed Equivalence Decision on seed exports from Ukraine to the EU. Post reviewed the current dynamics of seed exports from Ukraine worldwide as the baseline of Ukraine’s current export capacity. Below, the “Graph Seed Exports from Ukraine” indicates that Ukraine’s major seed exports are corn and vegetable seeds with wheat and forage crops tailing them.



Source: Trade Data Monitor

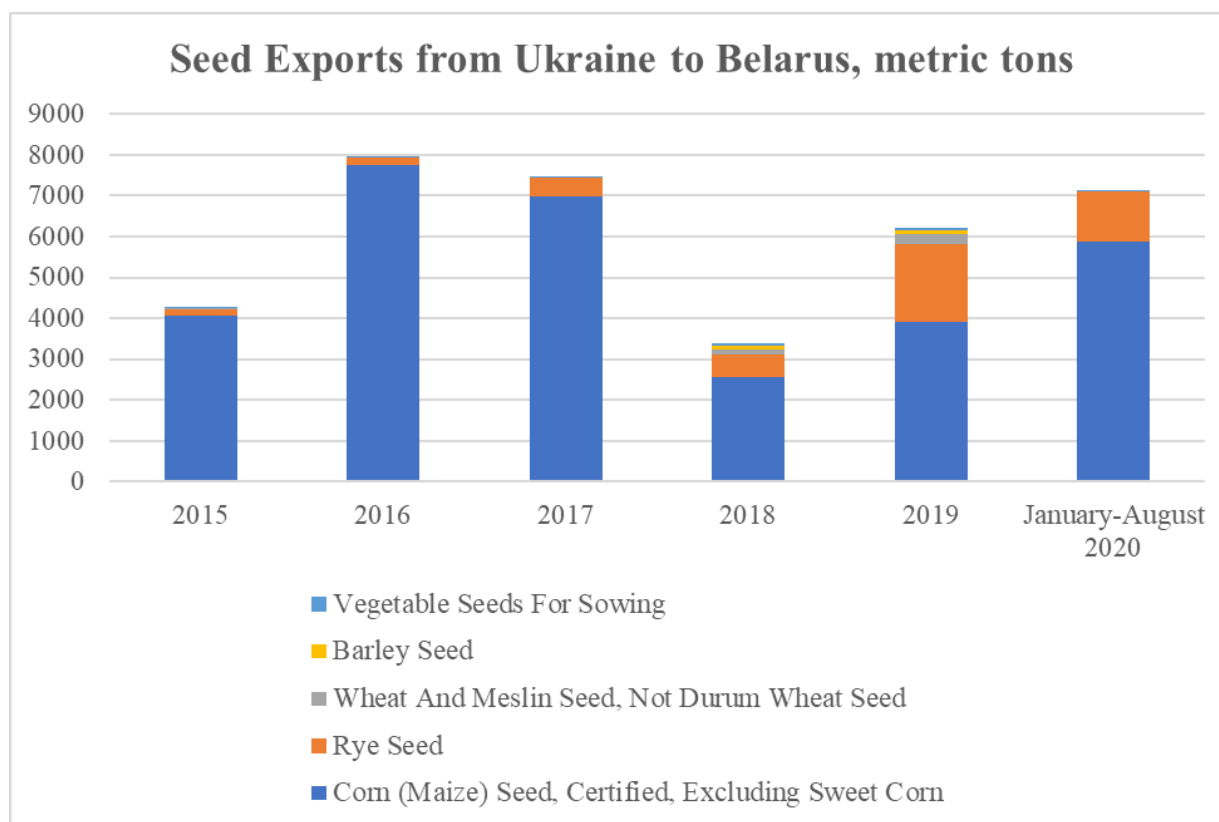
Ukraine sells seed in two major markets: the EU and in the Eurasian Economic Union (EAEU) countries of Belarus, Kazakhstan, and Russia. The table below, “Value of Seed Exports from Ukraine” shows Belarus as the importer, but it may effectively be considered as point of entry to the EAEU rather than as an independent market. Belarus is usually used as a transit point for Ukrainian goods heading to EAEU countries – presumably Russia which has banned many Ukrainian imports. Ukrainian exports to the EU outpace exports to the EAEU, both in terms of value and quantity (see the table below for more details).

### Value of Seed Exports from Ukraine by Various Destinations, percentage

	2015	2016	2017	2018	2019	January-August 2020
EU 27 Brexit	42.3	32.3	25.3	46.8	41.0	40.8
Belarus	27.6	36.4	40.6	17.4	28.3	36.9
Other	30.0	31.3	34.1	35.8	30.7	22.3

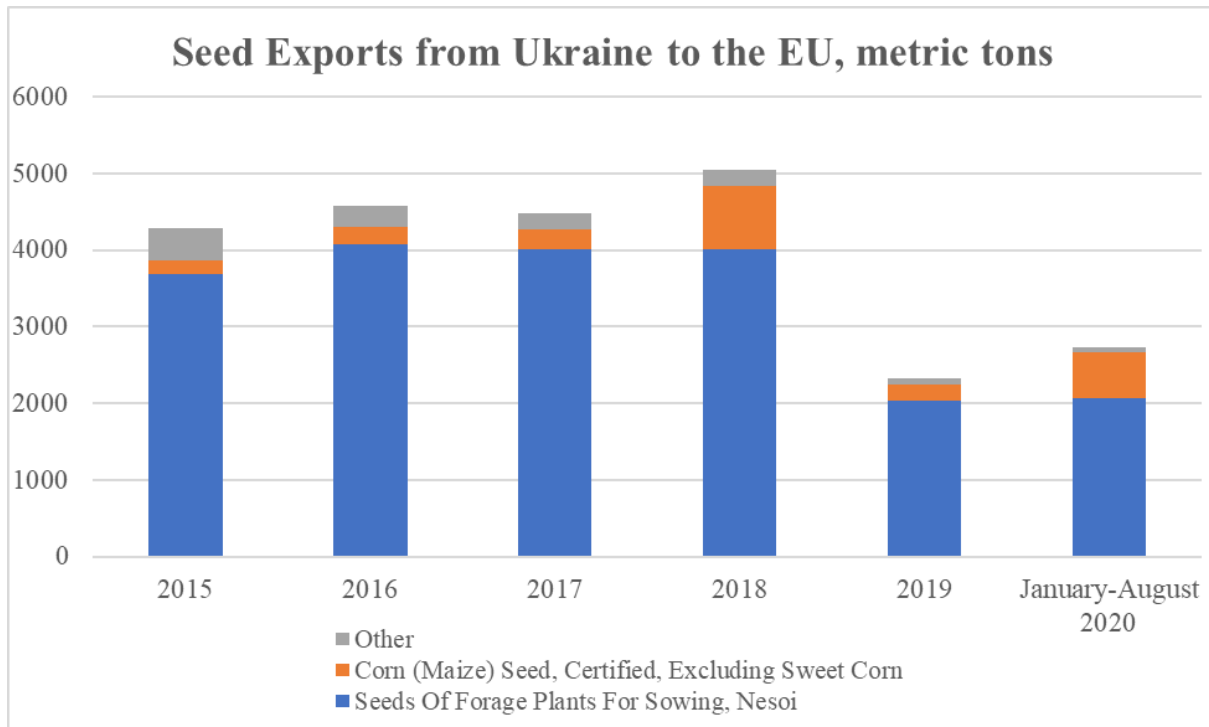
Source: Trade Data Monitor

The EAEU imports a diversified set of crop seeds, including corn, rye, wheat, barley and vegetable.



Source: Trade Data Monitor

By contrast, the major seeds imported by the EU include only three major crops: vegetable, forage plants and corn seed, see graph “Seed Exports from Ukraine to the EU” for more details.



Source: Trade Data Monitor

Based on available trade data, FAS Kyiv believes that the first product line likely to see an increase of exports to the EU would be seed corn. Ukraine has already been exporting seed corn to this market. Rye, wheat, and barley seed that are currently exported to the EAEU could be redirected to the EU market.

According to local media reports ([in Ukrainian](#)) the following multinational companies currently have seed production facilities operational in Ukraine:

1. MAS Seeds – 2 seed production facilities for grain (mostly corn) and oilseed (sunflower and rapeseed) crops;
2. Corteva Agriscience – one facility for corn and sunflower;
3. Bayer – one facility for corn;
4. Euralis Semences Ukraine – one facility for corn, sunflower and soy; and
5. KWS Ukraine – one facility for corn.

They are followed by the Ukrainian seed producers that produce various cereals and beans:

1. Pyatydni LLC
2. Svarog West Group;
3. Agrotrade
4. Kyrovograd Seed Facility; and
5. LNZ (Lebedinsky Seed Facility).

It is likely that these companies (both Ukrainian and international) will be the clear beneficiaries of the Seed Equivalence Decision as they already have operational seed production facilities. Moreover, the international companies have a head start because: 1) they own seed varieties already registered in the EU and 2) they have established distribution networks in the EU. For these international companies, it will likely be cost-effective for them to move seed production to established facilities in Ukraine with a destination market in the EU.

**Attachments:**

No Attachments.