

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Canada Concludes FTA Negotiations with Ukraine

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Livestock and Products

Trade Policy Monitoring

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Report Highlights:

On July 14 Canada concluded free trade negotiations with Ukraine. On July 22, Ukraine announced the re-opening of its market for Canadian beef, from cattle under thirty months, and ready-to-eat meat. Currently, Canada's exports of agriculture, fish and forestry products to Ukraine total \$32 million, with fish and seafood, pork, furskins and pet food among the top exported items.

The Canadian government recently announced (on July 14, 2015) the conclusion of the Canada-Ukraine Free Trade Agreement (CUFTA). The official press release indicates that in addition to generating significant commercial benefits for Canadian businesses, the CUFTA would also support the economic reform and development efforts of the Government of Ukraine, strengthen the Canada-Ukraine partnership for peace and prosperity, and help pave the way for long-term security, stability, and broad-based economic development in Ukraine.

Canadian merchandise imports from Ukraine totaled \$90 million in 2014, and averaged \$137 million for the 2011-2013 period. Exports of goods to Ukraine amounted to \$131 million in 2014, while they averaged \$168 million during 2011-2013. As highlighted by the designation of Ukraine as a priority country under Canada's Global Markets Action Plan, Ukraine is a promising emerging market for Canadian exporters, with opportunities in agriculture and processed food (including fish and seafood products), as well as industrial goods, such as cosmetics, industrial machinery, iron and steel, and plastics.

Impact on Agriculture

Upon entry into force of the Agreement, Ukraine will immediately eliminate tariffs on 86 percent of Canada's current exports, with the balance to be phased out or subject to tariff reductions over periods of up to seven years. This includes elimination by Ukraine of tariffs on all Canadian exports of fish and seafood, and the elimination of a vast majority of Ukraine's agricultural tariffs. Key products benefiting from either immediate or eventual duty-free access include beef (three-year phase out), canola oil, processed foods, animal feed, frozen fish, and caviar. Tariffs will also be eliminated on fresh and chilled pork (seven-year phase out), and frozen pork will benefit from an increased duty-free tariff rate quota, reaching 20,000 metric tons at the end of the implementation period. Tariffs on wood products will also be phased out over a five-year period.

When the Agreement is implemented, Canada will immediately eliminate tariffs on 99.9 percent of current imports from Ukraine. This includes elimination by Canada of tariffs on all fish and seafood, and 99.9 percent of agricultural imports from Ukraine. Key products from Ukraine that will benefit from this duty-free access include sunflower oil, sugar and chocolate confectionery, baked goods and vodka. Canada excluded all over-quota tariffs for supply-managed products (dairy, poultry and eggs) from tariff elimination, and no import quotas for these products were increased. Accordingly, the supply management system will be unaffected by the CUFTA.

Canadian exports of agricultural, fish and forestry products to Ukraine totaled \$32.2 million in 2014, with fish and seafood, pork, furskins and pet food among the top exported items. Imports into Canada of agricultural, fish and forestry products from Ukraine amounted to \$9.6 million in 2014, with top items including soybeans, wood products, honey, and cocoa preparations.

Market Access for Canadian Beef

Agriculture Minister Ritz announced on July 22, 2015 that Ukraine has reopened its market for Canadian beef (from cattle under thirty months) and for ready-to-eat meat. This new market access follows the lifting of Ukraine's ban on Canadian beef products in 2014. Canadian beef and ready-to-eat meat establishments eligible for export to the European Union are immediately granted access to the

Ukrainian market. The federal government indicated it is working closely with Ukraine to expand the number of establishments that are eligible to export, pending inspections from Ukrainian authorities.

On July 27, 2015, the Canadian Food Inspection Agency (CFIA) announced that the certification requirements for export of beef and ready-to-eat (RTE) meat products have been agreed to with the Ukrainian authorities. Details can be found on [this](#) CFIA website.

According to the Canadian press release, Ukraine's global imports of beef products in 2014 were C\$17.1 million. Ukraine sourced its imports of beef primarily from Australia and Brazil (70 percent combined market share for these two countries).

For more information on the CUSTA, please consult the links below:

- [Canada-Ukraine Free Trade Agreement](#)
- [PM Announces Conclusion of Free Trade Agreement with Ukraine](#)
- [Harper Government Establishes Market Access for Beef to Ukraine](#)

Canada Export Statistics To Ukraine							
Agricultural, Fish & Forestry							
United States Dollars							
Commodity	Description	Calendar Year			Year To Date		
		2012	2013	2014	05/2014	05/2015	% Change
Agricultural, Fish & Forestry		51,860,828	72,512,024	32,248,370	13,420,260	5,638,994	-57.98
030366	Hake, Frozen	24,661,834	22,686,106	7,517,976	829,297	185,488	-77.63
030616	Cold-Water Shrimps And Prawns, Frozen	12,030,414	12,947,008	7,003,226	3,639,734	305,054	-91.62
020329	Meat Of Swine, Nesoi, Frozen	2,952,868	21,095,509	3,383,051	2,509,020	0	-100
230910	Dog And Cat Food, Put Up For Retail Sale	2,175,396	2,314,313	2,271,466	954,844	710,199	-25.62
120110	Soybean Seed	156,278	1,915,693	1,842,707	1,842,707	2,335,687	26.75
430110	Mink Furskins, Raw , Whole	144,270	669,444	1,678,336	356,021	68,568	-80.74
051110	Bovine Semen	868,117	1,272,006	1,195,895	455,413	390,222	-14.31
030369	Fish Bregmacerotidae Euclichthyidae Etc Frzn Nesoi	1,732,111	532,870	1,103,893	145,909	247,825	69.85
030354	Mackerel, Frozen	0	115,174	1,076,885	0	0	
120190	Soybeans, Nesoi	31,529	99,439	748,286	748,286	628,802	-15.97
010221	Cattle, Live, Purebred Breeding	0	1,465,260	662,030	0	0	
020322	Meat, Swine, Hams, Shoulders Etc, Bone In, Frozen	50,359	3,352,531	527,924	239,011	0	-100
430180	Furskins Nesoi, Raw , Whole	0	543,544	499,756	172,657	89,722	-48.03
030495	Fish Of Families Bregmacerotidae Etc, Frozen Nesoi	914,654	982,514	484,106	484,106	0	-100
160431	Caviar	492,062	16,320	302,011	302,011	126,279	-58.19
	All other products	5,650,936	2,504,293	1,950,822	741,244	551,148	

Source: Global Trade Atlas

Canada Import Statistics From Ukraine							
Agricultural, Fish & Forestry							
United States Dollars							
Commodity	Description	Calendar Year			Year To Date		
		2012	2013	2014	05/2014	05/2015	% Change
Agricultural, Fish & Forestry		14,773,326	9,107,577	9,653,289	2,758,133	6,058,909	119.67
120190	Soybeans, Nesoi	0	0	2,452,842	0	2,469,183	
440929	Noncon Wd Exc Bamboo Cont Shpd Alng Edges Ends Etc	783,219	917,792	1,534,403	689,072	685,387	-0.53
040900	Honey, Natural	0	14	1,320,107	548,423	457,908	-16.5
180690	Cocoa Preparations, Not In Bulk Form, Nesoi	370,119	484,375	512,900	205,691	156,943	-23.7
100590	Corn (Maize), Other Than Seed Corn	517,825	2,645,090	448,524	0	0	
440890	Veneer Sheet Etc, Not Ov 6Mm, Nonconiferous Nesoi	196,967	41,854	252,249	50,960	146,418	187.32
330129	Essential Oils, Nesoi	159,503	215,686	247,419	94,366	105,411	11.7
080232	Walnuts, Fresh Or Dried, Shelled	0	0	213,220	213,220	0	-100
220300	Beer Made From Malt	241,114	199,031	208,680	58,206	49,629	-14.74
170490	Sugar Confection (Incl Wh Choc), No Cocoa, Nesoi	175,320	177,838	198,995	76,562	97,993	27.99
030483	Flat Fish Fillets, Frozen	0	0	186,334	111	0	-100
441232	Plywood Exc Bamboo Lt=6 Mm Thk Nonconiferous Nesoi	46,599	71,266	168,138	44,932	155,237	245.49
190590	Bread, Pastry, Cakes, Etc Nesoi & Puddings	193,800	186,627	132,741	45,680	62,004	35.74
010619	Mammals, Live, Nesoi	272,967	151,015	128,673	69,204	53,492	-22.7
151219	Sunflower-Seed Or Safflower Oil, Refine, Fract Etc	89,564	68,225	119,929	82,033	47,036	-42.66
030331	Halibut/Greenland Turbot Ex Fillet/Liver/Roe Frozn	0	0	115,606	0	0	
	All other products	11,726,329	3,948,764	1,412,529	579,673	1,572,268	

Source: Global Trade Atlas