Ukrainian Market for Fruits and Vegetables

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Content of the Presentation

- Production
- Trade
- Current challenges and opportunities

UKRAINE: KEY FACTS

- **Total area – 603,6 km²**
- **Agri land 43 mln. ha (60% black soil)**
- **Population – 46** mln
- **Labor force – 21,7** mln
- **GDP (2009)- $294,3 bln (primary ag 8.2%)**
- **GDP per capita (2009) - $6,400**
- **Trade organizations - CIS, GUAM, WTO**

MAIN AG CROPS PRODUCED IN UKRAINE

Main ag crops	Harvest ,000 tons	Production area ,000 ha	Structure of main crops production area
Grain and oil crops	46,028	15,837	69.3%
Sugar beet	10,067	322	1.4%
Sunflower	6,364	4,231	18.5%
Potatoes	19,666	1,411	6.2%
Vegetables open ground	7,967	453	2.0%
Vegetables covered ground	2.9	374	1.6%
Fruit and berries	1,700	234	1.0%

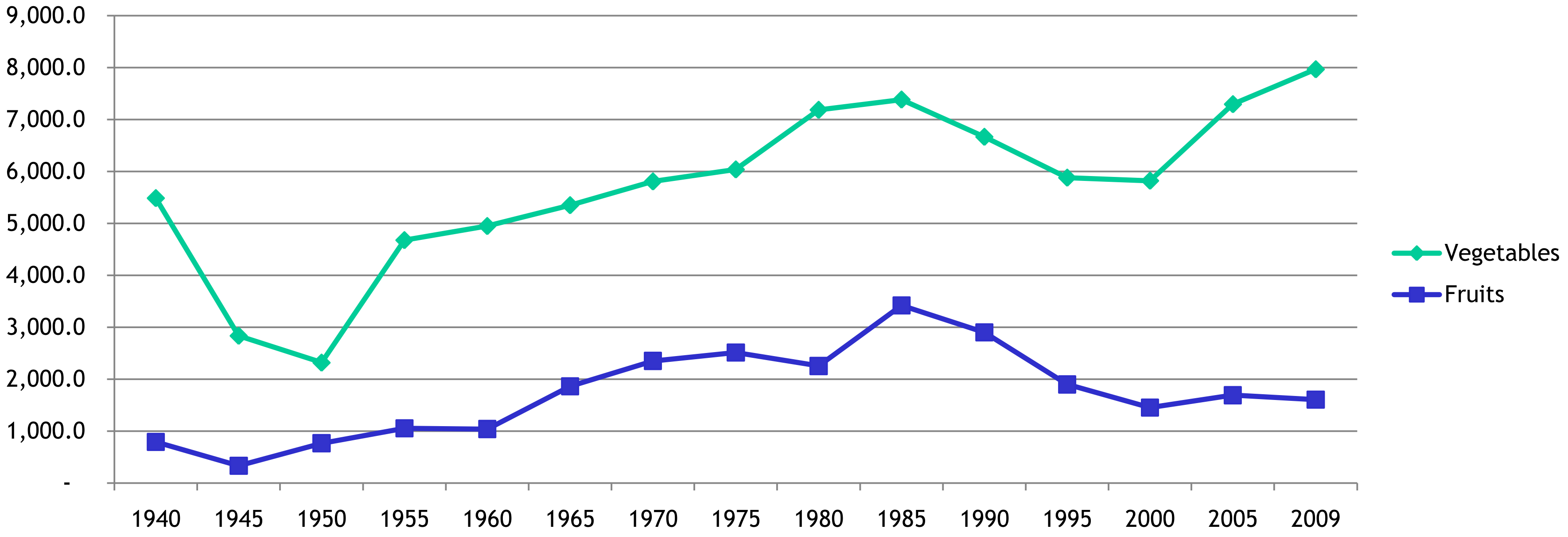
VEGETABLE PRODUCTION

VEGETABLE CROPS	Plantation area, '000 ha	Harvest, '000 tons
Potatoes	**1,411.8**	**19,666.1**
Vegetables - open field	**453.5**	**7,967.0**
Cabbage	70.6	1,526.7
incl. cauliflower	2.0	7.4
Cucumbers	50.1	703.2
Tomatoes	82.6	1,863.5
Red table beets	39.1	749.8
Carrots	41.7	686.4
Onions	58.5	875.6
Garlic	18.9	150.1
Green peas	6.9	24.7
Other vegetables	85.0	1,386.9
including:		
Pumpkins	25.4	559.9
Squash	26.4	459.2
Eggplant	6.3	729.5
Peppers	15.1	155.3
Green onions	3.5	35.1
Vegetables - covered fields	**2.9**	**374.0**
Melons, including	**81.8**	**634.7**
Water melon	63.3	531.0
Melon/cantaloup	18.5	103.7

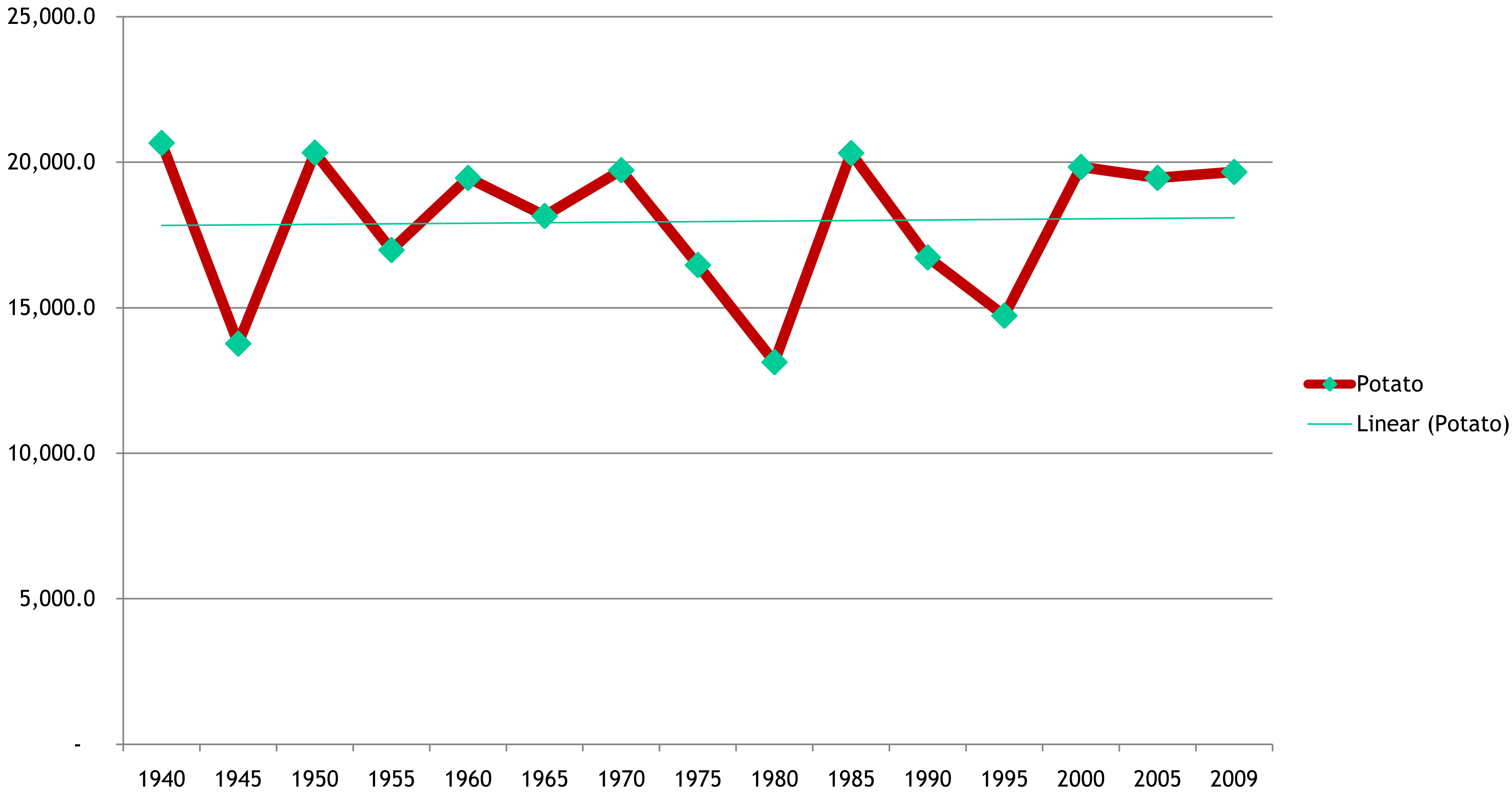
FRUIT PRODUCTION

FRUIT CROPS:	Harvest	Production area
	,000 ton	,000 ha
All fruit plantations:	**1,618.1**	**260.0**
Seed fruits:	**1,007.8**	**143.3**
Apples	853.4	126.2
Pears	145.9	15.5
Stone fruits	**409.6**	**80.5**
Plums	136.69	22.3
Sour cherries	115.75	21.7
Sweet Cherries	52.96	14.8
Apricots	74.33	10.6
Peaches	19.57	8.3
Berries	**114.9**	**21.5**
Strawberries	57.91	8.7
Raspberries	24.69	5.3
Currants	23.21	5.0
Gooseberries	6.08	1.0
Grapes	**468.7**	**91.3**

Long-Term Dynamics of Fruit & Vegetable Production



Long-Term Dynamics of Potato Production



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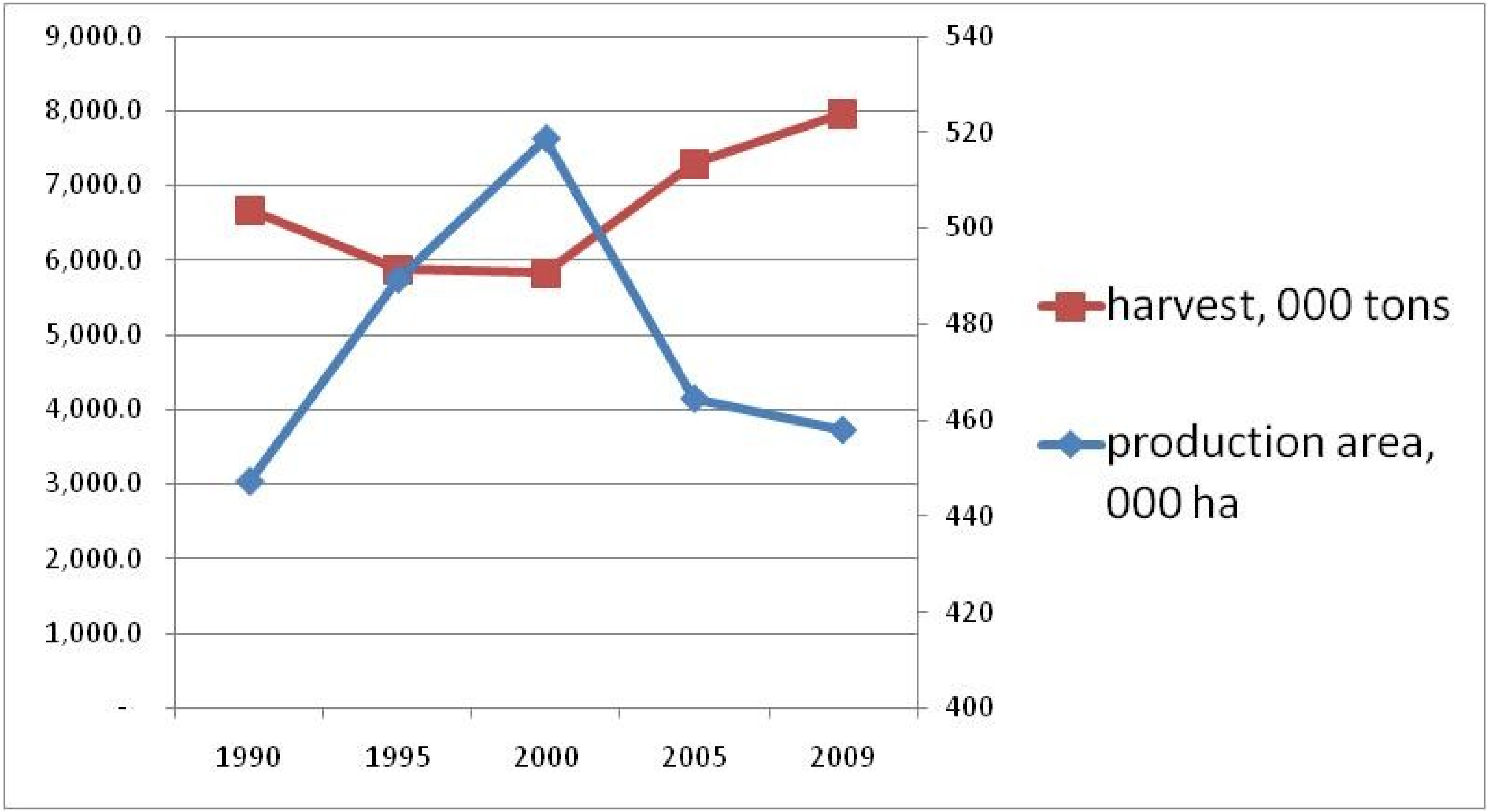
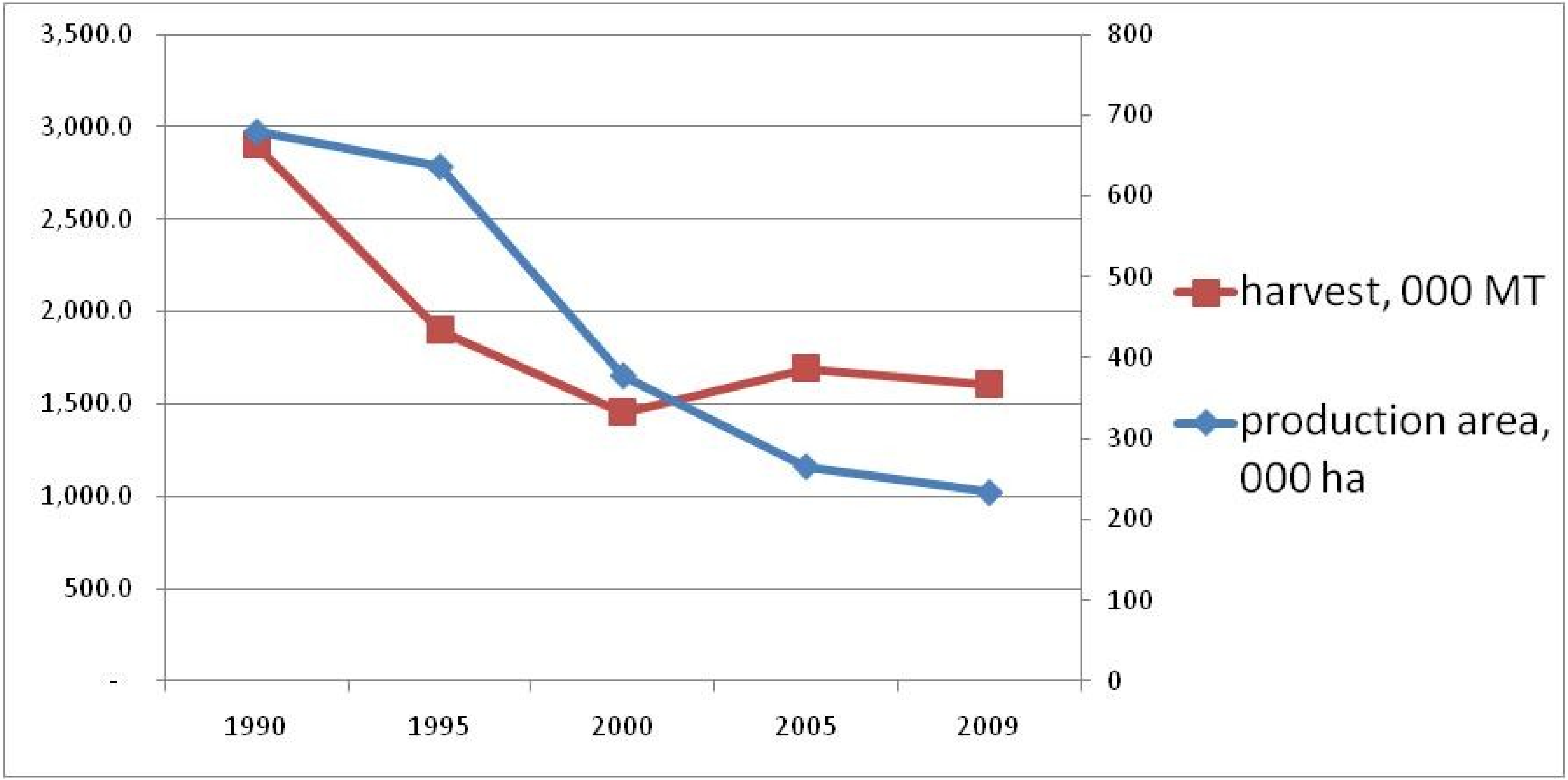
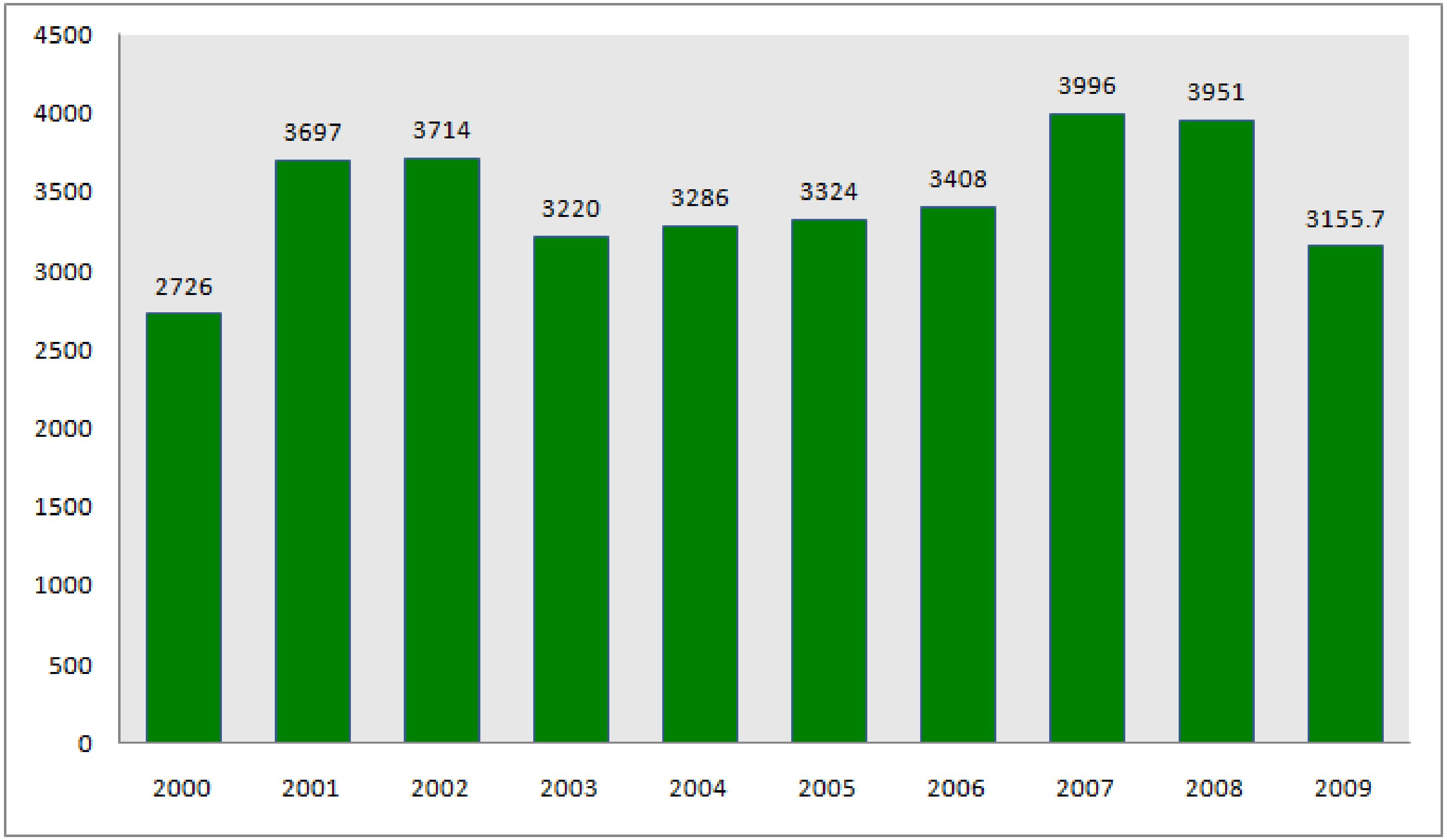
Vegetable Production: Intensification after 2000



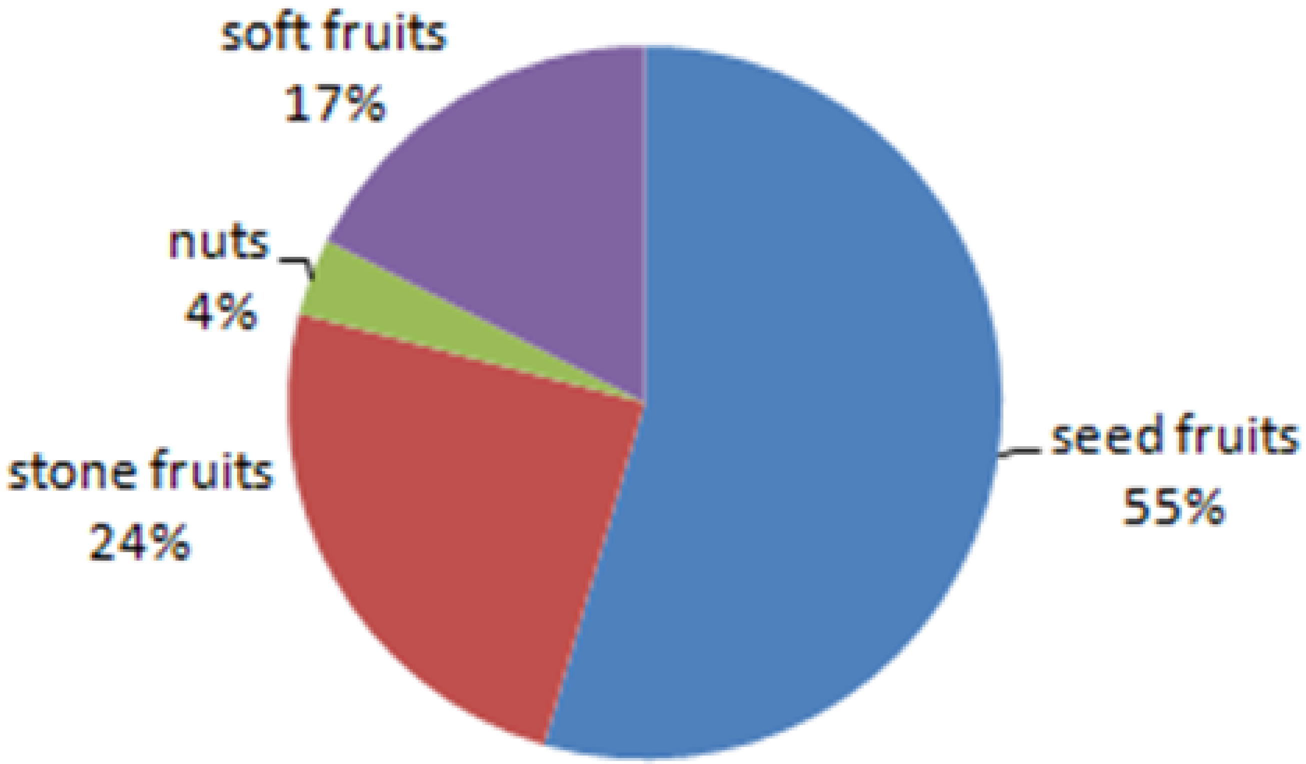
Fruit Production: Intensification Trend Starting from Early 2000s



Dynamics of New Fruit Plantations Establishment- 35,5 K ha over the Last 10 Years

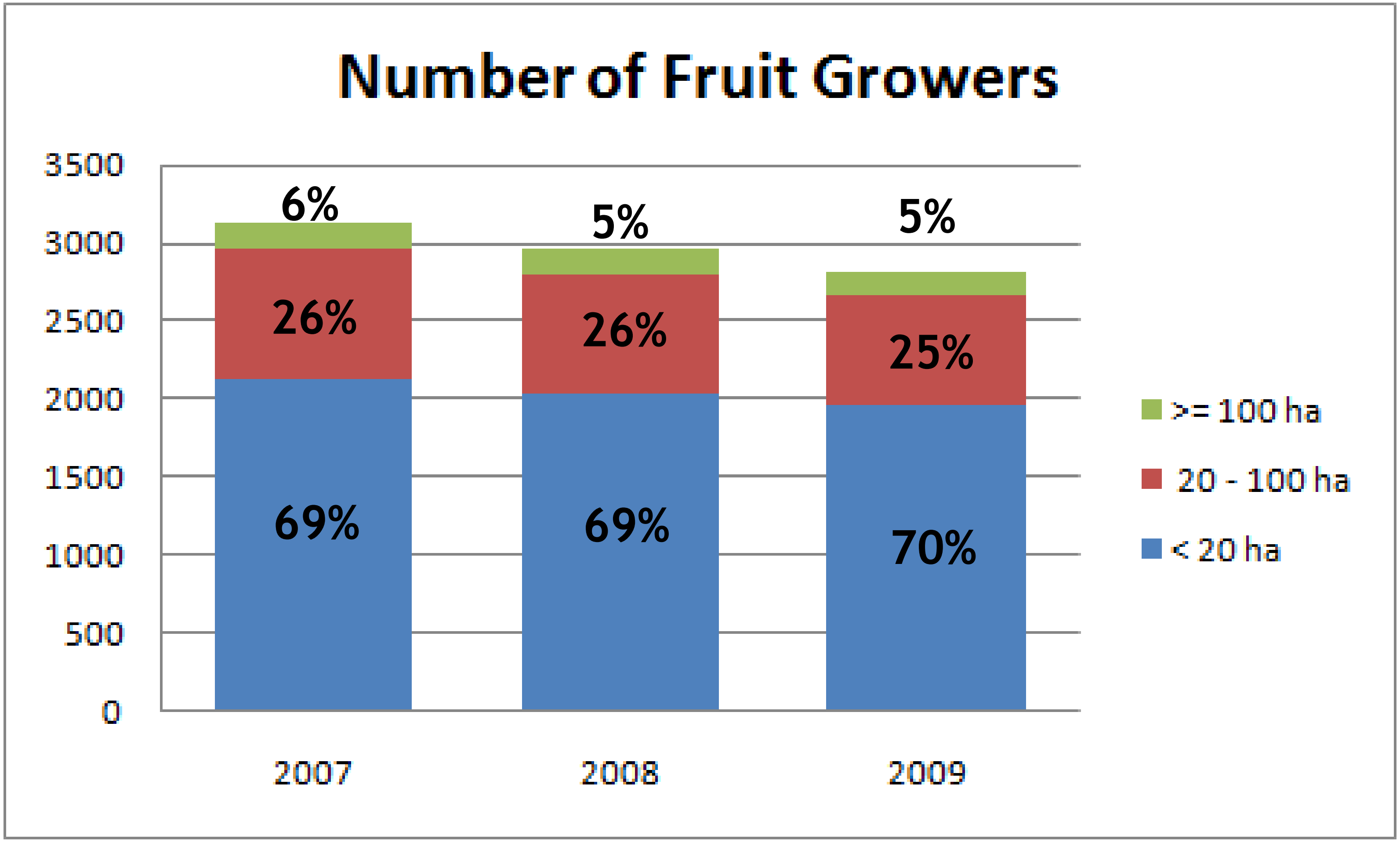


Planting of New Fruit Plantations in 2009 (3.2 thousand ha)



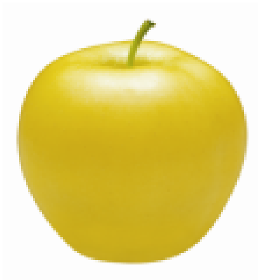
Profile of a Ukrainian Fruit Farmer

- 2009 – 2819 fruit farms



Apple Varieties in Ukraine

Estimated harvest by varieties	%	Commercial farms, 000 tons	Extrapolation to total production, 000 tons
Aidared	20.00	44.80	179.2
Golden Delishes	18.00	40.32	161.3
Renet Semerenko	17.00	38.08	152.3
Jonagold and its clones	12.00	26.88	107.5
Jonatan	9.80	21.95	87.8
Snowy Kalvil	9.60	21.51	86.0
Boiken	5.50	12.32	49.3
Slava peremozhtsiam	2.00	4.48	17.9
Other	2.00	4.48	17.9
Spartan	1.50	3.36	13.4
Gala	1.00	2.24	9.0
Red Delishes	1.00	2.24	9.0
Florina	0.50	1.12	4.5
Topaz	0.10	0.22	0.9



THE FRUIT AND VEGETABLE TRADE

FRUIT TRADE

- Total fruit market size – 3 bln. $ (2009)
- Absence of marketing co-operatives
- Significant part of the harvest is sold via intermediaries– large losses within supply chain
- About 15 % of the fruit harvest is sold via supermarkets
- ` 50 % of the fruit harvest is sold to processors
- Export increases - fivefold over the last 5 years (09 - `89,687 MT p.a. / grapes & exotic nuts excl.))
- Import increases (currently around 343,088 MT p.a. / grapes & exotic nuts excl.)

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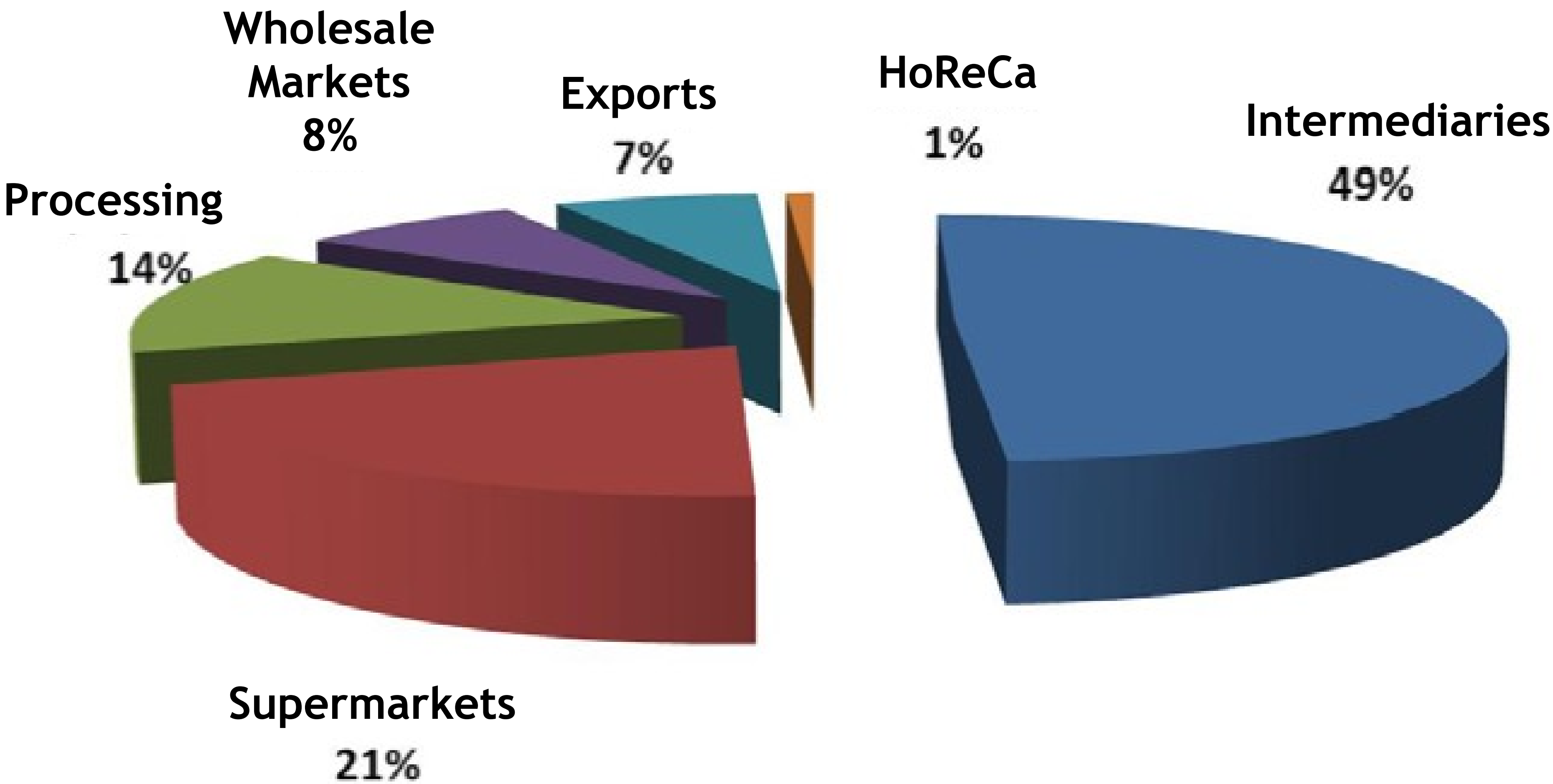
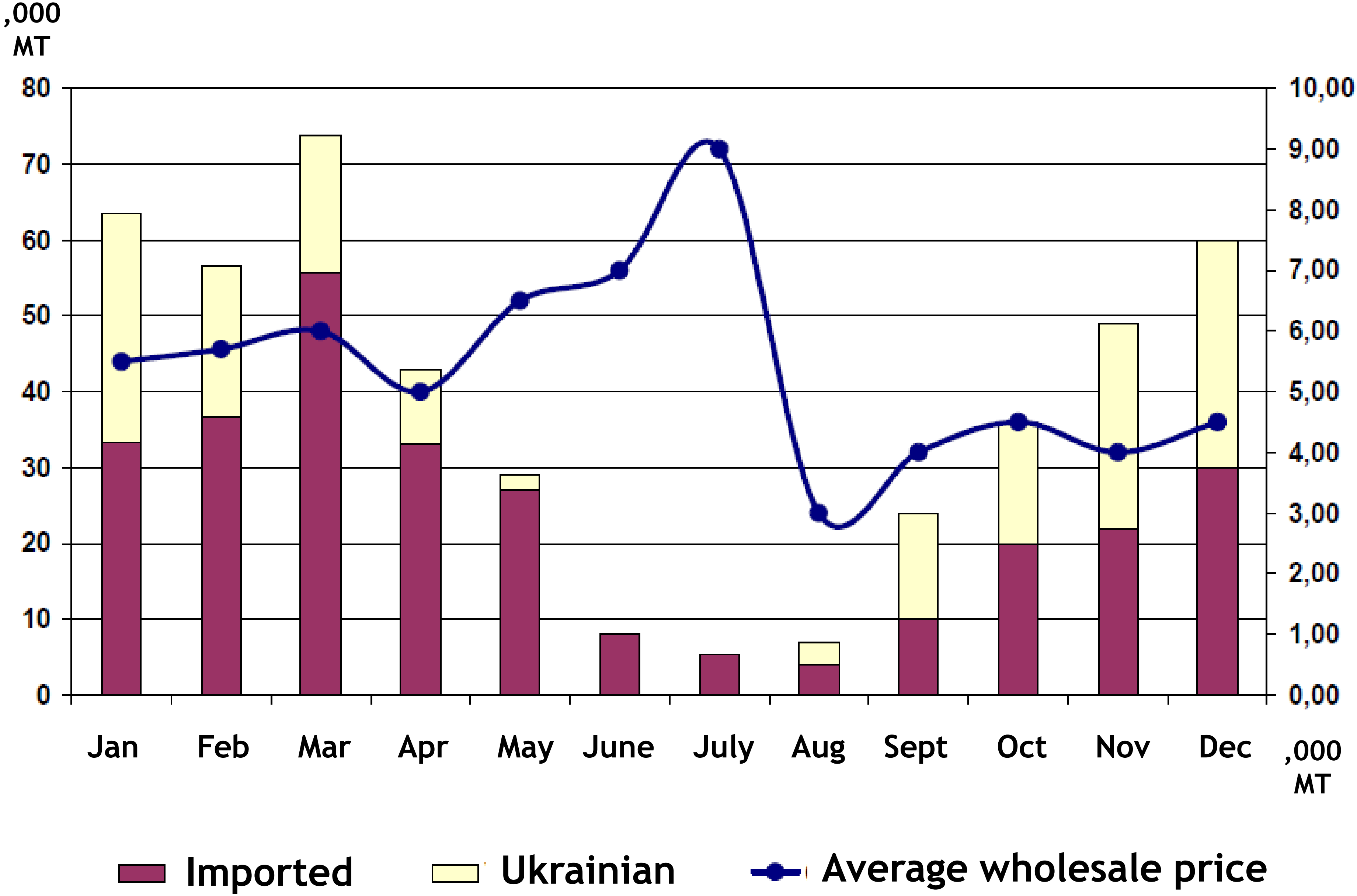
“APK-Inform” Study: 50 Largest Apple Growers’ Sales Structure



Monthly Trends in the Ukrainian Apple Market



Balance of Fruits, Berries and Grapes
(including canned and dried products counted as fresh)

,000 MT

	1995	2000	2004	2005	2006	2007	2008
Output	2,355	1,966	2,009	2,133	1,415	1,829	1,919
Changes in stocks at the end of the year	120	201	(10)	297	123	52	245
Imports	309	179	330	860	1,144	1,254	1,235
Total available	**2,544**	**1,944**	**2,349**	**2,696**	**2,436**	**3,031**	**2,909**
Exports	31	88	208	305	290	370	252
Used as fodder	71	47	45	63	41	55	48
Losses and waste	143	34	70	128	65	111	113
Processing into wine	578	336	419	450	410	537	486
Total consumption	**1,721**	**1,439**	**1,607**	**1,750**	**1,630**	**1,958**	**2,010**

VEGETABLE TRADE

- Imports decrease: 128 000 MT or $ 78 mln in 2009 (Turkey, EU, China, Syria, Israel, Egypt)

Imported vegetables	2008	Import structure	2009	Import structure	2009/08 changes
All imports	**91,140**	**100%**	**77,814**	100%	-15%
Potatoes	**5,717**	**6%**	**2,944**	4%	-49%
Tomatoes	**21,295**	**23%**	**33,274**	43%	56%
Garlic	**2,502**	**3%**	**2,969**	4%	19%
Edible roots	**7,719**	**8%**	**2,579**	3%	-67%
Cucumbers	**4,878**	**5%**	**7,313**	9%	50%
Peppers	**6,777**	**7%**	**7,906**	10%	17%
Other	42,251	**46%**	20,831	27%	-51%

VEGETABLE TRADE (2)

- Exports increase: 485 000 MT or $159 mln in 2009 (Russia, India, EU, Belorussia, Pakistan, Turkey)

Exported vegetables	2008	Export structure	2009	Export structure	2009/08 changes
All exports, $	**81,936**	100%	**159,400**	100%	95%
Tomatoes	**23,557**	28%	**45,825**	29%	95%
Potatoes	**807**	1%	**1,172**	1%	45%
Onions	**432**	1%	**9,163**	6%	2019%
Edible roots	**221**	0%	**952**	1%	330%
Cucumbers	**4,868**	6%	**10,107**	6%	108%
Peas	**1,022**	1%	**4,981**	3%	388%
Mushrooms	5,213	6%	3,612	2%	-31%
Canned peas	**33,092**	40%	**63,976**	40%	93%
Other	13,530	16%	20,785	13%	54%

Balance of Vegetables, Watermelons, Melons and Gourds

(including canned and dried products counted as fresh)

	1995	2000	2004	2005	2006	2007	2008
Outputs	6,377	6,195	7,333	7,606	8,745	7,317	8,489
Changes in stocks at the end of the year	100	201	230	196	718	(85)	689
Imports	41	29	44	100	168	158	356
Total available	**6,318**	**6,023**	**7,147**	**7,510**	**8,195**	**7,560**	**8,156**
Exports	194	30	85	150	201	298	251
Used as fodder	755	728	1,276	1,214	1,394	1,139	1,216
Used for sowing	68	86	88	90	100	99	102
Losses and waste	322	177	220	393	573	515	612
Total consumption	**4,979**	**5,002**	**5,478**	**5,663**	**5,927**	**5,509**	**5,975**

Balance of the Potato Trade

	1995	2000	2004	2005	2006	2007	2008
Outputs	14,729	19,838	20,755	19,462	19,467	19,102	19,545
Changes in stocks at the end of the year	(1,090)	2,951	2,353	(100)	(61)	57	423
Imports	126	11	1	5	21	7	10
Total available	**15,945**	**16,898**	**18,403**	**19,567**	**19,549**	**19,052**	**19,132**
Exports	16	1	7	6	6	3	3
Used as fodder	4,764	4,872	5,900	5,985	5,849	5,656	5,724
Used for sowing	4,389	5,145	5,039	5,128	4,976	5,038	4,930
Losses and waste	350	198	396	1,113	1,379	1,295	1,104
Processing for non-food purposes	50	22	350	949	1,090	995	1,272
Total consumption	**6,376**	**6,660**	**6,711**	**6,386**	**6,249**	**6,065**	**6,099**

Current Challenges and Opportunities

- Know-how, research and scientific support to the industry to improve its competitiveness and sustainability;
- Huge investment requirements into post-harvest handling, storage, logistics and distribution (est. around $30 bln over the next 10 years;
- There is a positive trend in the development of farmer cooperation in marketing and sales

Thank you!

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