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My name is Dmytro Kubrak and I am from the country of Ukraine. My homeland, Ukraine, is the second largest country in Europe, is located in Eastern Europe between the countries of Poland and Russia, and borders the Black Sea. Ukraine was a former Soviet state until it gained its independence in 1991. Now, Ukraine is divided into 24 regions and 25th independent region of Crimea. We borders on Russia, Belarus, Moldova, Romania, Hungary, Poland and Slovakia. With its favorable geographical position in the world, Ukraine is considered the world's best transport center (railway, sea, motor transport and air). Southern part of my motherland borders on Black and Azov seas. Ukraine has two mountain systems: Carpathian (in the West) and Crimean (in the South). My country is rich on water resources. The largest and the main river is Dnipro. There are a large number of hydro – electric power stations built in this river.

Under Soviet control for so many years state and collective farms were the main ways that agricultural land was managed for food production.

After independence land was divided into smaller independent private family farms and Agricultural Enterprises, also called large agricultural producers include state farms and joint stock companies. Agricultural Enterprises flourished under the marketing systems that were carried over from the post Soviet era and the independent private family farms have suffered because of the difficulty of marketing systems that are unable to deliver or supply in smaller quantities those items needed by independent private farmers are only beginning to develop. Input supply and marketing cooperatives which enable groups of small farmers to buy and sell in bulk, are either underdeveloped or non existent. These small private family farms are dependent on the land for income and subsistence, live in rural areas with farming as their profession, and are normally family owned. The land market started only in 2007.

70 percent of the total area in Ukraine is agricultural land. My country is famous for rich black soils (Chernozems) , that are very good for growing different crops. Ukraine has moderate climate, which is favorable for agriculture. My country has three main areas: Woodlands in the North, Forest – Steppe in the middle part and Steppe in the Southern part which nature is very different from each other. Agricultural specialization is also different. Woodlands is the main zone for grain production (rye, oats and buckwheat), technical crops, flax, hop, sugar beets and potatoes as well as the processing of flax, meat and dairy produce. Forest - steppe is a sugar beet-grain zone with milk and meat animal husbandry and pig farming. Steppe zone of Ukraine specializes in growing winter wheat, corn, barley and of technical crops, sunflower.

We had agricultural reform in the end of 1990`s. This reform helped to increase quality of agriculture. Despite some positive results and decisions a lot of pressing issues are still unaddressed:

1. Absence of policies promoting a market driven agricultural sector
2. Absence of land mortgage market
3. Poor agricultural financing
4. Low quality and safety standards
5. High taxes
6. Credit problems etc.

There are three natural ways of land consolidation in Ukraine:

1. renting of the land by medium farmer enterprises;
2. renting of the land by large farmer enterprises; and
3. expanding of small private rural farms using land shares of it's members and renting of land shares of other people.

Some experts say that Ukraine can become one of the world's top five agricultural producers in the nearest future, but first, Ukrainian government have to solve problems with agriculture.

There some types of land ownership in Ukraine. They are: land in the yard area (people buy an area with house and land in it), small "household plots" (land areas near villages, where people live). The whole land area in this case is divided on smaller lands. Each land area has his owner (family), dacha plots. We have some land areas in suburbs, which called dachas. Usually urban families who live in apartments have such dachas, land represented by "land shares" given to members and pensioners of the former kolkhozes and sovkhozes, as well as local residents providing social services (schoolteachers, etc.).

This section includes those costs that would exist even if the specific crop were not grown. These are the costs incurred due to ownership of machinery, equipment and land used in crop production and includes machinery, equipment and building fix costs, land charges and miscellaneous overhead.

Machinery fixed costs will depend on the size, age, type, and number of machines and operations used in producing the crop as well as the tillage practices used. The land cash rent charge is the opportunity costs of land and represents a return for its use in crop production.

Miscellaneous overhead covers such expenses as a share of pickup truck expenses, farm shop expenses, marketing expenses and so on. These are expenses that cannot be directly associated with a single enterprise but are necessary and important farm expenses.

In 1999 the mechanism of tax payments was simplified. On average Ukrainian farmers pay about 4– 5 \$ per hectare. Rural householders pay about 7- 8 \$ per hectare. There is a regime of double taxation in Ukraine. It means, that cooperatives are assessed a profit tax prior to dividend distribution like any other company, and then members must also pay tax on dividends received from the distribution of the cooperative's net profit. Most groups of farmers prefer to work together to avoid extra taxes.

The network of procurement stations have been expanded to 24, 400 (17, 000 milk stations, 2, 200 poultry and 2, 500 fruit and vegetables). Some years ago Ukraine had 35 certified commodity exchanges, 437 agro trading offices, 1,432 wholesale food markets and wholesale fruit and vegetable markets and had conducted 320 live cattle auctions and 2,184 exhibitions and fairs, but this numbers are constantly increasing, which is very good for developing of agriculture.

60 % of private farmers prefer to sale their goods in the way of direct sales)the main channel of agricultural produce sales for producers. Today there are three forms of payment prevail in produce marketing:

1. Payment before seeding
2. Payment at harvest (most common)
3. Deferred payment (most common)

Almost two thirds of produced grain is sold inside the region. Two percent of all agricultural commodity producers sell their products through commodity exchanges, but in most cases retailers deal directly with the agricultural commodity producers. There were 700 agribusiness companies in 2001 in Ukraine. Only few of them rely on fruit and vegetable production and marketing chains.

Advisory services are a new concept in Ukraine. They are being established only in 22 Ukrainian regions. Now Ukraine try to develop this branch of agriculture as fast as possible.

Agricultural chemicals are wide spread in my country. It is because of lots of bad insects, which bring harm for our harvest. A lot of chemicals are harmful even for crops, that`s why our products are not of good quality. There are a lot of chemical factories in the central part of Ukraine, but their production satisfies only 20 percent of country`s needs. Because of pesticides are harmful, every year in Ukraine people loose about 30 percent of their harvest. It is very bad for people who live in villages and growing crops is the only way to earn money for them, so they loose a lot.

70- 80 percent of pesticides currently sold in Ukraine are imported. Production of mineral fertilizers in Ukraine has exhibited a clear upward trend. In 2002 country produced 2.4 million tons of mineral fertilizers. In the same year, the import of mineral fertilizers witnessed a dramatic upsurge by nearly 7.5 times. Ukraine would need to rely on imported chemical compounds to make up the shortfall in pesticides. Currently, about thirty companies supply agricultural chemicals to the Ukrainian market. Sales to locally licensed or authorized intermediaries and distributors are the most prevalent marketing strategies. Competition within the agrochemical market in Ukraine is complex, due to the presence of many foreign companies distributing products directly as well as through their local distributors.

Commercial plot owners have about 30 percent of the tractors and 20 percent of the grain combines. Experts estimate that the current level of physical depreciation of agricultural machinery and equipment is at 70 to 80 percent compared to 55 to 60 percent in 1999. Approximately 40 percent of all tractors are 15 to 25 years old. It`s bad for our agriculture, because that tractors and combines broke constantly, but we have a lot of machine factories and our machine building is not good. Our combines and other agricultural equipment are not of a good quality, so machines become old early and break constantly. There are about 40 manufacturers of agricultural machinery in Ukraine, who still supply a significant part of Ukraine`s agricultural machinery, in particular, ploughs harrows, cultivators, seeders and sprayers. Actual production at most agricultural machinery plants in use ranges from 15 percent to 30 percent of total capacity. The price of domestically produced agricultural machinery is not cheap, because of inefficient and outdated manufacturing technology. All this makes local machinery less attractive for agricultural companies. Western European firms actively operate in the Ukrainian market and they understand that despite the obstacles to doing business in Ukraine, the potential for hard currency agribusiness exports is vast. The major importers of grain combines into Ukraine are: Germany, Russia, USA, Italy and Denmark. Representatives of foreign machinery producers mainly sell their machines on terms of full prepayment.

U.S. agricultural machinery has a good reputation in Ukraine. US farm equipment companies offer a full range of equipment and parts, including spare parts for cultivating, growing, harvesting and transporting, as well as equipment for livestock production.

Ukraine has several major competitive advantages and disadvantages for developing high value agricultural exports:

Advantages

1. Favorable climatic conditions.
2. Rich agricultural resources
3. Access to abundant water resources
4. Recent progress in agricultural trade experience and entrepreneurial development as well as proximity to major foreign markets whose demand for high value agricultural products is dramatically growing.

Disadvantages

1. The low agricultural sector productivity and efficiency
2. The lack of a long- term Ukrainian and foreign investments in agriculture
3. Absence of wholesale marketing infrastructure
4. Unconfirmed produce quality standards
5. Undeveloped farm marketing
6. Slow pace of the introduction of new production and processing technologies

As you can see, Ukrainian export has more disadvantages than advantages, as well as a whole agriculture. But our government improves export and agricultural system constantly. If to compare agriculture in 1990` s and now it increased well. Ukraine now is one of the leading countries who exports milk, dairy produce and eggs, oil products, poultry, fruit, vegetables. It means that nowadays we achieved success in some branches and it is a good result for Ukrainian economy as well. Presently, Ukraine has a number of export limitations in the form of duties. Live cattle, hides and skins are subject to an export duty. Also, presently there is a 17 percent duty is levied on sunflower seeds, flax seeds and red flax seeds.

In 2003, Ukraine became a member of the United Nations Food and Agriculture Organization (FAO) and has gained access to the international market and statistical information system and automated systems for up-to- date scientific and technical information on food and agriculture.

Now Ukraine is able participate in:

1. Developing efficient systems for utilizing land, water, forest and fish resources
2. Environmental protection (we are very active in this)
3. creating the global fund of plant and animal genetic resources
4. Working out international quality standards for agricultural commodities
5. Rendering assistance in the sphere of plant protection
6. Working out and introducing measures aimed at combating especially economically dangerous animal diseases
7. Establishing a global system of observation and transmission of information about agro-climatic conditions, current state of crops, biomass, and soil erosion.

Soil erosion is very popular problem in Ukraine. Our reach black soils are destroying because of cold winters and hot summers, so we participate in this, because we are interested in this question.

Livestock enterprise budgets include many of the same entries and problems as crop enterprise budgets. However, livestock budgets can also have some unique and particular problems:

1. Accounting for multiple outputs

2. Accounting for the cost of raising or purchasing replacement animals to maintain a breeding herd over time
3. Valuation of farm- raised feed fed to the animals

To cut the long story short, Ukraine has average agricultural level and we, Ukrainians, try to do all our best to increase this level: government create new ideas, workers work hard, factories produce a lot of products, and, I hope, in future we will become one of the most powerful countries in the world.

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