



How Equivalent is the Ukraine?

SEED CERTIFICATION AT THE BORDERS OF EUROPE. BY: SIUZANA HRYHORENKO

WHY IT MATTERS

In order for non-EU countries to export seeds to the EU, it is necessary that the respective requirements and their application in the non-EU country are recognised as equivalent. In 2011, the Ukraine requested for recognition of equivalence of its seed certification system. Seven years later, this issue is still not resolved, and it is not possible to import cereal seeds from Ukraine into the EU. Several stakeholders such as the European Seed Association (ESA), and the professional association of farmers and farmers' co-operatives (COPA-COGECA) have been arguing in favour of Ukrainian equivalence.

In 2011, the Ukraine requested for recognition of equivalence of its seed certification system. Seven years later, this issue is still not resolved and has become one of key issues for the EU seed business community attempting to increase seed trade with the Ukraine.

In its roadmap of 14 April 2016, the European Commission stated that this request has been assessed on the basis of whether Ukraine offers the same assurances for the identity, health and quality of seed as the EU. The Commission carried out a legislative analysis and the Commission's Food and Veterinary Office (FVO) conducted an inspection in Ukraine to audit its seed certification system in place. Both the legislative analysis and the inspection resulted in positive outcomes.

In order to arrive at equivalency, it will be necessary to include Ukraine to the List of the non-EU countries, who received the equivalence status for seed certification systems. This List is approved in Annex 1 of EU Council Decision No 2003/17EC of 16.12.2002, followed by the EU Commission submitting this issue to the EU Parliament and the Council of EU for their review.

ARGUMENTS IN FAVOUR OF EQUIVALENCE:

1. The matter is only about partially "simplify" the formalities of non-tariff barriers regarding seed produced in the Ukraine, namely, the recognition of the seed certificates;
2. The EU will still be entitled to use other forms of non-tariff barriers e.g. customs formalities; quantitative restrictions; safety requirements, etc.;
3. There is support by the EU seed business community (ESA, the voice of the EU seed industry);
4. Ukraine houses several major European integrated seed companies that export seeds to Europe and other countries such as Maisadour Semences Ukraine, Llc, KWS-Ukraine, Euralis Semences Ukraine and many more.
5. Only seeds of the varieties registered in EU countries can be exported, which means that

the Ukrainian producers will have to file the plant variety for registration in an EU country before exporting.

6. The Russian market has been lost.
7. The choice is still up to the European consumers.
8. For the Ukraine, a key aspect is the prospect of the transfer of production facilities of the world's producers and also an improvement of production quality indicators.
9. Seed import "critically" exceeds its export:

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|---|--|
| IMPORT IN 2016: 42.6 thousand tons of seeds | SEED EXPORT IN 2016: 1.6 thousand tons of seeds |
| SEED IMPORT IN 2015: 42.7 thousand tons of seeds | SEED EXPORT IN 2015: >1 thousand tons of seeds |

UKRAINIAN SEED MARKET - EXPORT

The main buyers of the Ukrainian seeds are Belarus (35%), and EU (31%), as well as Serbia (5%), Egypt (4%), Georgia (4%). According to the data of the analytical agency APK-Inform, that studies Ukrainian agrarian markets, the key crops of seed export from Ukraine are: cereals (wheat, barley, corn), soybean, rape and sunflower.

In 2017, the Ukraine exported:

- Wheat: 2451 tons at 790.898 USD (of them to EU - 83,0 tons, 22.576 USD)
- Barley: 36,6 tons, 20.574,7 USD (to EU - no data)
- Soybean: 84,0 tons, 88.079 USD (to EU - 0,0 tons, 36,1 USD)
- Sunflower: 609 tons, 2.713.681 USD (to EU - 105 tons, 1.108.695 USD)
- Corn: 7.725 tons, 14.600.961 USD (to EU - 235 tons, 1.367.465 USD)
- Rapeseed: 0,0 tons, 760,7 USD (to EU - 0,0 tons, 760,7 USD)

Seed trade to the EU went mainly to the following EU member-states: Romania, Hungary, Germany, Austria and Poland.

UKRAINIAN SEED MARKET - IMPORT

When the Ukrainian seed market needs foreign seeds, the import is mainly provided by the EU states (52%), followed by Turkey (19%), and USA (17%). However, Ukraine hardly imports cereal seeds (wheat, barley, rye, grain legume crops), as these are provided by the national breeders. The only exception is corn (34% of import), but this situation changes with the opening of new seed plants by several large international companies. Pioneer, Syngenta, Limagrain, KWS, Bayer, Maisadour and others have already launched or are building their production facilities in the Ukraine. Thus, the import of corn seed decreased 1.7 times, from 54.1 thousand tons in 2014, to 31.4 in 2016. The situation with the seeds of oil crops is almost identical to cereal crops. Varieties of soybean are mainly Ukrainian; seed of sunflower and rape are imported.

| THE SHARE OF IMPORTED SEED MATERIALS IN THE ESTIMATED NEED FOR SOWING IN 2017 | | |
|---|----------------------------------|-----------------|
| | NEED OF SEEDS, THOUSANDS OF TONS | IMPORT SHARE, % |
| RAPE | 2,5 | 82,2 |
| SUNFLOWER | 30 | 79,0 |
| SUGAR BEET | 1,25 | 53,8 |
| VEGETABLE CROPS | NO DATA | 48,2 |
| CORN | 90 | 34,9 |
| RYE | 25 | 3,4 |
| GRAIN LEGUME CROPS | 80 | 1,2 |
| SOYBEAN | 190 | 1,1 |
| WHEAT | 1350 | 0,1 |
| BARLEY | 50 | 0,1 |

In 2016, in Ukraine the share of imported seed comprised 10% of the total import of agrarian products. Sunflower and corn seeds amounted to 81% of seed import. According to the State Fiscal Service of the Ukraine, in 2017, Ukraine imported 66 thousand tons of planting materials, with almost 50% of this import being corn, and 35% sunflower.

SEED ASSOCIATION OF UKRAINE

Established in April 2010, the Seed Association of Ukraine (SAU), unites leading international and Ukrainian companies that operate in the field of plant breeding and seed production, and own breeding and genetic products. The association represents the interests of seed manufacturers and suppliers and brings together leading international and Ukrainian companies that work in the field of plant breeding and seed production in Ukraine.

The association's governing bodies are the general assembly of the association and the board. The general assembly is the highest governing body of the association and meets once per year. The board is a standing collegiate governing body of the association that convenes between general assembly meetings. The general meeting determines the quantitative composition of the board. Since July 2017, Viacheslav Gavrylianchyk (Syngenta Ukraine) has been the chairman of the board. The executive body of the association is the executive authority, headed by the executive director of the association. To date, the executive of the association is Susana Hryhorenko.

[For these purposes,] in 2011, SAU became a full member of the European Seed Association (ESA) and, in 2012, SAU joined the International Seed Federation (ISF). Since then, the representatives of SAU have participated in various meetings of ESA and ISF. [Seed Association of Ukraine was also visited by the Secretary-General of both ESA and ISF in Kyiv.] [To date] the latest event conducted by the Seed Association of Ukraine was the meeting with the Technical Director of ESA, Mr. Christophe

KEY FACTS ON RECOGNITION OF EQUIVALENCE OF THE UKRAINIAN SEED CERTIFICATION SYSTEM TO THE EU REQUIREMENTS

Background information:

I. The procedure of recognition has already been lasting for more than 6 years:

2011 – Ukraine requested for recognition of equivalence of the certification system;

06.05.2015-04.06.2015 - DG Santé conducted an audit and presented a report. The audit evaluated the level of implementation of the national legislation; requirements for seed production and certification; conduction of field inspections, organization of the certification system). The report concluded that "Field inspections of seed-producing crops and pre- and post-certification controls of seed are carried out appropriately, in line with Organisation for Economic Co-operation and Development (OECD) standards and satisfy EU requirements. Sampling and testing of seed is carried out appropriately according to International Seed Testing Association (ISTA) rules. Seed packages are sealed with official labels under official supervision and traceability in the seed certification process is ensured."

06.2015 -09.2015 – corrections were done according to the report

16.09.2015 – the report was published on the website of the EU Commission.

11. 2016 - The Ministry of Agrarian Policy of Ukraine sent its request to DG Santé.

17.01.2017 – The European Seed Association (ESA) sent its letter in support of equivalence.

21.02.2017 – The EU Commission section on Seeds and Propagating Material reviewed the audit report and provided an update on the application, according to which its review was in the internal process.

02.05.2017 – DG Santé sent the answers to the letters of Minagropolicy (of 11. 2016) and ESA (17.01.2017), stating that the delay in the decision-making was caused by the fact that Ukraine was updating Order 71 regarding phytosanitary rules.

08.06.2017 – the EU Commission section on Seeds and Propagating confirmed that the review of the application was in the internal process.

01.12.2017 – the EU Commission section on Seeds and Propagating once again confirmed that the review of the application was in the internal process.

19.04.2018 – the EU Commission section noted that the equivalence decision was in the process of adoption by the Commission.

14.06.2018 – the representatives of ESA conducted a working meeting with the EU Commission, where they were told that the decision was still on hold due to the political reasons.

Rouillard (Kyiv, 30 April 2018) regarding the prospects of recognition of equivalence of the Ukrainian seed certification system

SAU, as an independent professional association of seed industry enterprises, is actively involved in the process of keeping track of EU reviewing the Ukrainian request for equivalence. Organization works with both Ukrainian authorities and European Seed Association, providing support, preparing necessary information, translating key texts and drafting letters. Updates on the status of equivalence are constantly prepared and given to the member-companies and parties involved. ▼

Editor's Note: Siuzana Hryhorenko is Executive Director of the Seed Association of Ukraine