



AN ATTRACTIVE PARTNER

A CLOSER LOOK AT THE SEED ASSOCIATION OF UKRAINE.

In recent years, Ukraine has significantly increased its economic performance in the agricultural sector. By joining the World Trade Organization, accession to the Organisation for Economic Co-operation and Development Schemes of varietal certification, and ratification of the International Seed Testing Association Constitution, the Ukraine government has made significant steps toward the global market. Through these changes, the country has strengthened its position in different markets, making it an attractive partner, particularly for investment.

In November 2009, Ukraine was accepted as a member of the OECD schemes of varietal certification and control of movement of seed in international trade, in particular, the seeds of cereals, maize and sorghum. Since 2009, Ukraine has adopted the necessary legislative and administrative measures to ensure seeds produced in Ukraine are in line with EU requirements. In particular, Parliament adopted the Ukraine Law 'On Ukraine's accession to the OECD Scheme of varietal certification of cereal seeds, Scheme of varietal certification of maize and sorghum seed' of 15 February 2011 No. 3019-VI.

In a similar effort, in 2010 Ukraine assumed obligations to participate in ISTA by approval of the Ukraine Law 'On ratification of the Constitution of the International Seed Testing Association'. As a result, the Ukraine Law 'On seeds and planting stock' No. 5397-VI dated 2 December 2012 has also been adapted in line with international requirements and adopted in the new edition.

And last, but not least, on 6 April 2011, Ukraine announced its intention to receive EU certification equivalence of seed crops, maize and sorghum. In May and June 2015 the EU mission conducted an audit in Ukraine in order to grant the EU recognition of equivalence of field inspections of seed crops for seed production and inspection of produced seed. The audit report was positive and Ukraine is now waiting for an approval issued by competent bodies of the EU.

UKRAINE'S SEED SECTOR

In 2014, the total area of seed crops in Ukraine reached 1,098,000 hectares (seed crops only), with a total production of certified seed of 2,037,000 tons (Table 1). Of this total amount, about 400,000 tonnes of certified seed was sold in the market, and the rest was used by agricultural and seed companies for their own needs.

According to Ukrainian legislation, seed producers shall register themselves for access to the production, processing and sale of seeds. Over the past three years, the number of registered seed producers decreased from 1,399 in 2012 to 912 in 2014. An update of the register of seed producers' certification takes place every year as part of the application for seed production. As of September 2015, the register of seed producers included 729 entities.

Table 1 lists the production data from 2012 to 2014 with respect to certain types of seed crops according to the request for equivalence recognition.

SEED ASSOCIATION OF THE UKRAINE

The Seed Association of Ukraine (SAU) was established in April 2010. The founders and members of the association are 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 SAU is an independent professional association of seed industry enterprises. The activities of member companies cover many different crops, such as winter crops, spring crops, legumes, cereals and fodder crops, potatoes, sugar and fodder beets, oilseeds, corn, sorghum, and vegetable crops.

Crop	2012		2013		2014	
	Seed crops area 1000 ha	Produced seeds, 1000 ton	Seed crops area 1000 ha	Produced seeds, 1000 ton	Seed crops area 1000 ha	Produced seeds, 1000 ton
Winter wheat	634.0	634.0	652.3	1360.2	570.7	1191.6
Winter barley	84.5	84.5	95.4	195.8	80.8	158.5
Winter rye	39.8	39.8	30.3	43.8	17.7	24.5
Spring wheat	26.0	26.0	13.9	39.6	14.8	26.0
Spring barley	201.5	201.5	169.0	380.0	149.4	261.0
Oat	32.9	32.9	21.5	47.2	21.3	28.8
Corn	29.4	29.4	40.5	114.7	43.1	108.0
Sorghum	0.4	0.4	0.4	1.1	0.1	0.6
Total:	1048.5	1048.5	1023.3	2181.4	897.9	1799.0

Crop	Financial Year					
	2012		2013		2014	
	Export	Import	Export	Import	Export	Import
Corn	6694	n/a	8221	n/a	9326	n/a
Sunflower	698	n/a	212	n/a	1197	n/a
Winter wheat	78	n/a	130	n/a	251	n/a
Soybean	21	n/a	5	n/a	2697	n/a
Total:	7491	62076	8568	70030	13471	81287

The association's main objectives include the following:

- to achieve a transparent and efficient seed market;
- to actively participate in the development of relevant legislation;
- to comply with the rules of fair competition in accordance with the current legislation of Ukraine;
- to protect intellectual property rights in breeding;
- to facilitate the adaptation of the organisational structure of the seed industry and standards to international standards;
- to promote the image of Ukraine in the international market as a reliable partner for investment and doing business in the field of seed production.

SAU's key purposes are to facilitate the formation of a competitive seed market in Ukraine and to open global markets for the Ukrainian agricultural sector. The association protects its members' interests as well as promotes the international standards of the seed industry in Ukraine.

ASSOCIATION STRUCTURE

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. Currently, the executive director is Siuzana Hryhorenko.

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. To date, there are seven members of the board. The chairman of the board organises and guides the activities of the association. The chairman and vice chairman of the board are elected at the general assembly meeting by a qualified majority for a term of one year. Since June 2015, Olexandr Fedorov (CEO of KWS—Ukraine) is the chairman of the board. The executive body of the association is the executive authority, headed by the chief executive of the association. To date, the chief executive of the association is Susana Grigorenko.

At present, there are two committees in the structure of the association, which consist of delegated representatives of association member companies.

The activities of the Committee on the Protection of Plant Varieties are aimed at implementing the statutory objectives of the association, and provides for the following:

- processing according to the legal regulation in the field of plant varieties protection in Ukraine, and trends and mechanisms of realisation of state policy in the field of plant variety rights;
- facilitating communication between members of the association, and discussion of the issues within the jurisdiction of the committee that arise in the professional activities of association members;
- determining the actual questions and/or urgent problems in the field of plant variety rights, their consideration, and determining the position for action or response of the association for the promotion of initiatives on behalf of the association;
- fostering the development of practical application of legislation in the field of plant variety rights participants;
- interaction between experts of plant variety rights protection;
- promoting a positive image of the association, and bringing the community objective information on the content and status of the protection of plant variety rights in Ukraine.

The Committee on Seed Production and Certification is responsible for all issues related to the following:

- elaboration of directions and mechanisms of participants' rights and obligations implementation (according to legal regulation) in the sphere of production and certification of seeds and plant quarantine;
- discussion of the issues within the jurisdiction of the committee that arise in professional activity of association members;
- determining the actual questions and/or urgent problems in the field of seed production and certification, their consideration, and

- determining position for action or response of the association for the promotion of initiatives on behalf of the association;
- fostering the development of practical application of legislation regarding the production and certification of seeds and plant quarantine
- development of initiative proposals to improve the work of the association in production and certification of seeds;
- interaction between experts on seed production and certification, and informing the international community on the content and status of seed production and certification.

STRENGTHENING INTERNATIONAL ENGAGEMENT

In 2011, Ukraine, through SAU, became a full member of the European Seed Association (ESA). In March 2012, the SAU and ESA signed a General Code of Conduct. The main purpose of the adoption of the code is to establish and support international behaviour in the seed market, aimed at encouraging ethical standards of companies and entities that operate in the field of seed production.

In June 2012, the SAU joined the International Seed Federation (ISF) as an ordinary member, and in 2013 held the first international conference on seed issues, with the participation of the secretaries general of ESA and ISF. At the same time, SAU regularly conducts working meetings with representatives of the State Agricultural Inspectorate, the State Veterinary and Phytosanitary Service of Ukraine, and several research and governmental institutions.

In 2015, the association, represented by the chairman of the board, participated in the annual meeting of the ESA. For the association, this participation was an important event as it enables Ukraine market participants to feel integrated into the European market, and is an opportunity to follow the effectiveness of the joint efforts.

The main external activities of the SAU include the following:

- active cooperation with governmental authorities;
- holding extended meetings with the competent authorities that form and implement policy in agriculture;

IMPORT AND EXPORT

- Ratio of import to export is 6:1.
- In 2014, in general, Ukraine imported around 80 thousand tons of seeds, including 57 thousand tons of corn, 13.5 thousand tons of sunflower, 2.7 thousand tons of rape. In the same year, the country exported 14 thousand tons, including 13.5 thousand tons of grain (Table 2).
- In comparison with 2013, the volume of export increased by 27 per cent.
- For crops such as sunflower, corn and sugar beet, imports prevail.
- Export group is cereal crops. Winter wheat is a major agricultural crop, and its seed production is more than 50 per cent of all seeds produced in Ukraine, followed by barley and corn production. Seed production of triticale and durum wheat is relatively small—about 1000 hectares per species each year.
- With respect to winter crops, over the last two to three years, Ukraine exported mostly seeds of winter wheat. In terms of spring crops, spring barley seed is mainly exported. The country also exported corn, sunflower and soy.
- The main consumers of seeds produced in Ukraine so far are the Commonwealth of Independent States countries, including Russia, Moldova, Belarus, Turkey, and Iran.
- The preference of farmers remains virtually unchanged—high-quality seeds.

- participation in working groups at the Ministry of Agriculture and Food on seed issues;
- organisation and conducting practical seminars and workshops;
- cooperation and holding working meetings with scientific institutions of the National Academy of Agrarian Sciences of Ukraine;
- operating at relevant state bodies—provides proposals for draft laws that govern relations of the agricultural sector of the Committee of the Verkhovna Rada of Ukraine on Agrarian Policy and Land Relations;
- development of proposals for legal regulation for industry executive authorities and developers of legal acts;
- cooperation with international organisations;
- working meetings with representatives of OECD and assistance in passing of the OECD audit by Ukraine on seed certification schemes;
- in addition, constant participation in industry conferences and seminars held in the field of agriculture.

The main internal activities of the SAU include the following:

- support of high standards of enterprise activities and business ethics among association members;
- ensure efficient operation by association participants based on respect for the rule of law, principle of legality and universally recognized ethical standards;
- communicate other actors of seed market fundamentally legal position in relations with public authorities Ukraine;
- show high level of responsibility and competitiveness of association members;
- focus on the protection of economic interests of association members;
- joint actions to achieve the effectiveness of legal regulation in the field of seed production.

As part of the changes taking place today in the administrative system of Ukraine's state administration, it is vital to strengthen the role of professional non-governmental organisations and institutions. Also, it should be noted that regardless of the industry, the reputation of companies concerning their business culture, statutory compliance as well as continuous improvement of varieties and hybrids of agricultural crops is crucially important.

JOIN SAU

Among the requirements for SAU membership is a positive reputation, a high-performance business culture, compliance with legal requirements, and the ability to work on continuous improvement of varieties (hybrids) of crops. The association is always open to companies that chose a policy of reliability, transparency and efficiency in the agricultural market of Ukraine.

FUTURE CHALLENGES

Despite the good outlook, there are still a few challenges ahead for both the industry as well as the association, such as:

- to reform public administration and executive agencies;
- to change legislation in the field of seed certification;
- to optimise the taxation system;
- to improve crop adaptation to global climate change;
- to expand its own participation in international seed trade.

LOOKING AHEAD

SAU expects the importance of Ukrainian seed production and investments in the sector of agricultural production will constantly increase, and the significant potential of the industry, which until now has not been fully utilised, will be realised. On the agenda in the near future is the completion of the accession to the OECD seed certification schemes for crucifers and other oil or fibre species. ▼

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ON THE
WEB**

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