

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary    Public

**Date:** 10/19/2010

**GAIN Report Number:** UP1026

## Ukraine

**Post:** Kiev

### Grain Export Quotas Officially Begin

**Report Categories:**

Agriculture in the News

WTO Notifications

**Approved By:**

Ann E. Murphy, Agricultural Attaché

**Prepared By:**

Yuliya Dubinyuk, Agricultural Specialist

**Report Highlights:**

The Government of Ukraine (GOU) officially implemented a Cabinet of Ministers Act to Control the export of wheat, barley, corn, rye, and buckwheat on October 18, 2010.

**General Information:**

The decree sets quotas for the export of wheat at 500,000 tons (this quantity includes a mixture of wheat and rye - meslin); for corn at 2,000,000 tons; barley at 200,000 tons, rye at 1,000 tons and buckwheat at 1,000 tons. The official version of the GOU [Resolution #938](#) dated October 4, 2010 was published on October 18, 2010 on the Cabinet of Ministers' website. The quotas will be in effect till December 31, 2010. Distribution of quotas will be managed by the Ministry of Economy but publication of the means by which the Ministry will distribute them has not been made public. According to the above mentioned Resolution, the Ministry of Economy will appoint a Commission (the appointment process or the number of members is unknown at present) that will oversee the process of grain export quota distribution.

A window of opportunity to apply for export quotas will be open to grain exporters for a total of 15 days after the Ministry of Economy of Ukraine makes an official announcement of the opening of the application period. Applicants for quotas are also to send their paperwork to the Ministry of Agriculture which holds responsibility for accuracy of actual grain exported and accountability for volumes stored. The application for quotas is described as a bid which will be received by the Ministry of Economy, where the specifically formed Commission will review these applications. When the 15-day application period ends, the Commission will have five days to approve or reject a company's bid to export. Refusals are to be documented by the Commission in writing and written notifications to be sent to applicants within 7 days of decision.

According to State Customs of Ukraine, since the beginning of Marketing Year (MY) 2010/11 – July 1, 2010 and through October 14, 2010, export of grains from Ukraine was as follows: about 1.7 million tons of wheat, 1.9 million tons of barley, and approximately 0.4 million tons of corn. Last week, in a meeting with U.S. government officials and Ukraine's Ministries of Economy and Agriculture leadership, GOU officials confirmed that Ukraine has already exported about 4.5 million tons of grains (all grains) since the beginning of the current MY and still has an estimated export potential of about 5.5 million tons (all grain). However, the GOU officials expressed concern over Ukraine's food security due to lower production (compared to last year) and adverse weather conditions that may impact winter crop plantings.

Domestic wheat prices in Ukraine during the month of October were on average 1500-1600 UAH (roughly \$190-200) [not official USDA data]. The domestic market in Ukraine has been almost paralyzed since late July 2010 due to limited exports. Implementation of grain export quotas will greatly affect the Ukraine domestic grain market and will have some impact on the world market as well.