

Agriculture Sector Initiative

by Dennis Kowalsky



At CUBI '97, Volodymyr Tsymbal, VP of the Association of Farmers of Ukraine (3rd from rt) met with members of the Ukrainian business community in Yorkton, Saskatchewan. Centre: Ray Malinowski, Chairman, CUBI '97 Agriculture Organizing Committee.

The CUBI Agricultural Initiative was organized to coincide with the Western Canada Farm Progress Show (WCFPS), one of the world's largest annual agricultural shows, in Regina, Saskatchewan. Over the past 20 years, the number of exhibitors has grown to over 700 and this year, the show was attended by huge numbers of people from Canada and 19 international delegations, including the delegates from Ukraine participating in CUBI '97.

The strength of CUBI's agriculture component demonstrates that a lot of interest and large potential trade exists between the agri-food sectors of Canada and Ukraine. However, the CUBI'97 agriculture initiative also demonstrated that certain major issues remain to be resolved before this huge business potential can be realized.

The total number of Ukrainian representatives registered in agriculture included 29 private business people and 8 government and associated representatives. From the Canadian side, there were 50 participants, including representatives from 33 private companies and 17 government and associated organizations.

The formal program commenced with an address by the Hon. Eric Upshall, Saskatchewan Minister of Agriculture and Food. He welcomed both the Ukrainian and Canadian participants asking them to work towards the goal of strengthening the business relations between the agri-food sectors of both countries. The participants then divided into

two groups to hear Canadian presentations from the grains/cropping sector and from the livestock sector.

The presentation from the grains/cropping sector included an overview of the continuing trend in Western Canadian agriculture towards low soil disturbance practices. This was followed by presentations by farm machinery manufacturers who described how their modern farm technology is more efficient in conserving energy, moisture and the soil. This session raised the unresolved issue of farm technology certification when marketing farm technology into Ukraine, an issue that hampers the sales of farm machinery into Ukraine by Canadian manufacturers.

The livestock sector presentation featured overviews of the beef cattle, hog and dairy industries. This overview was followed by presentations on food processing in the meat and grains industries. For practical application, the participants in the grains/cropping sector attended field demonstrations of farm machinery while the participants in the livestock sector visited a meat packing plant. Participants also took the opportunity to visit numerous displays of modern agricultural technology on the grounds of the WCFPS.

Agri-business Financing

An entire half-day session of CUBI '97 Agriculture was devoted to the topic of agri-business financing. This session was vital because the question of agri-business financing and investment security are holding back business ventures into Ukraine by Canadian marketers. While the session provided a wide range of information, it did not provide concrete solutions. It demonstrated that much developmental work from both countries is needed if these issues are to be resolved. A half-day session was also set aside for one-on-one meetings between participants from both countries. There was consider-

able interest in this aspect and business contracts were discussed. However, from such discussions, it appears that interests differed - almost half of the private participants from Ukraine were seeking partners for joint ventures investment, while Canadian participants preferred to discuss marketing their products into Ukraine directly and were not yet ready to make direct investments.

Conditions for Investment

The most serious issue in bilateral cooperation in the Agricultural Sector is the question of financing and foreign investment security, a fact emphasized by the CUBI Agriculture participants. Still, given the perceived business opportunities, developmental work can address many of the problems and create new opportunities. Such technical and marketing basics as having companies provide product information literature in the language of the host country will help in the search for partners.

Having specialists in agriculture and agri-food in place in both countries is another concrete way to address this lack of knowledge and understanding of each country's needs and potential.



CUBI '97 participants in an agricultural demonstration. L-r: Stefan Franko, Canadian farmer; Volodymyr Tsymbal, VP Association of Farmers of Ukraine; Alexander Shogor, farm Director, Kharkiv oblast; Anatoli Kovalchuk, Deputy Minister of Agriculture; Mike Makowsky, Saskatchewan Agriculture and Food; Petro Kivshyk, Deputy in Ukraine's Parliament.