

## Agricultural Reforms

# Challenge, Change & Progress

by Theresa Whalen-Ruiter, ILMS

Still caught amid the transitions of new reforms, Ukrainian agriculture is struggling to bridge the gap between where it is, and where it wants to be, in world agriculture. Rising from the turmoil is a new generation of entrepreneurs, and helping them to meet their potential is a Canadian company willing to bet on the positive future of Ukrainian agriculture.

The Semex Alliance is the world's largest livestock artificial insemination group representing Canada's top four breeding units. Working in more than 80 countries around the world, Semex aggressively develops new markets through various agricultural training programs delivered by its subsidiary, the International Livestock Management Schools (ILMS).

The 1989 perestroika movement created a mutually beneficial opportunity for improvement of cattle genetics and agricultural management in Eastern Europe. Seeking entry to new frontier markets, Semex invested ILMS training at the Main Selection Centre in Pereyaslav-Khmelnytsky near Kyiv. Late last year the venture matured into a private business partnership with the creation of Semex-Ukraine, offering an outlet for The Semex Alliance genetics while improving agricultural profitability, farm management skills and technology within the Ukrainian dairy industry. Over the past six years more than 300 farm managers and specialists have been brought to Canada for training, and ILMS has delivered 150 training missions in Ukraine.

"Canadian farmers know what it is like to wait-out a long term investment," explains Bob Lang, Executive Director of ILMS, "and the potential in Ukraine is staggering. We in Canada have one hundred years of cattle genetics evaluation and cutting-edge agricultural technology to offer Ukraine – there is no point in watching them re-invent the wheel when we can help them now. The sooner Ukraine succeeds economically, the sooner Canada will have a dynamic new trading partner."

The out-come of all this can be measured by the stories of two farm managers from the Kyiv region who both work with Semex-Ukraine, one on a private collective farm, and the other on a state pedigree farm.

At the helm of the collective farm Agrofirma Danylivska is Farm Manager Petro Veres. The farm is comprised of 1200 cattle on 1400 hectares with 187 employees. Not being satisfied with the price of milk offered by the local dairy processing plant, which is about 25 cents US per litre, Veres decided to make some marketing changes to the status quo. Currently about 35 to 40 per cent of their milk is processed on the farm and retailed locally. Another 25 to 30 per cent of production is sold

as raw milk and delivered door-to-door, being tapped into the customers own containers. Only the remainder is sold to the local dairy.

Adding to the revenues of milk sales has been the sale of pedigree heifers to other farmers. For the past three years Veres has bred the farm's cows solely with Canadian dairy cattle genetics provided by Semex. Being more than pleased with the resulting increased milk production and quality of animals, Veres summarizes, "When I can see my neighbour is broke and I am not – it tells me that my neighbour should have been wiser by using Canadian genetics. Through The Semex Alliance and Semex-Ukraine, I have been able to form a competitive dairy herd and farm, and improve the yields of our cows under rigorous conditions."

Petro Volokha is another Ukrainian farmer who is implementing farm management techniques learned through ILMS and is sold on Canadian genetics. Volokha is the Chief Director of the state pedigree farm Ploskivskiy, a 3000 hectare operation where the 1000 cow dairy herd production average is 7000 kg. per cow annually. To put this in perspective, currently Ukrainian dairy cows average 2000 kg. per year, and Canadian cows average 9000 kg. Also, the farm's crops are often double and sometimes triple the national yield averages.

As a state farm, all 700 employees have their basic needs of housing, heat and food met by the farm, so profitability is equated with comfort. Volokha's decisiveness and integrity speaks for itself as he has been elected by employees as the farm's leading Director for the past 35 consecutive years. Volokha attributes the farm's success to improved feeds, better selection of management personnel and policies, and the exclusive use of Canadian dairy cattle genetics and technology sourced from Semex-Ukraine.

The Semex and ILMS reputation for caring capitalism has created a demand for their expertise by other companies and agencies seeking equaled success in the global marketplace. One such example is an initiative by the Canadian Inter-

national Development Agency (CIDA) known as the CUP Project. This project is the result of the first trilateral agreement delivering Canadian expertise and technology to a group of independent collective farmers in the Stariy-Sambir Region of the Lviv Oblast. The project's goal is to encourage agricultural reforms among participants by broadening their outlook and developing new skills for the way they manage and operate their independent businesses.

"They have come a long way in some areas," said Lang, "yet other things are beyond their control. For example, we can get them seed and show them how to plant good crops using technology, plant species, fertilizers and pesticides, but if they can't get diesel for their tractors then they are back to forking manure from a horse and cart, harvesting by hand and storing crops exposed to the weather."

Renown for its rich soils, Ukraine has long been called "the breadbasket of the world" in recognition of its farm production potential. Agriculture is by far the most significant industry, utilizing almost 70 per cent of the land base and directly employing 21 per cent of the population. In contrast, only about eight per cent of Canada's land is farmed by less than two per cent of the population. Ukraine is only slightly larger than half of Ontario, but has a population of almost 51 million, compared to Ontario's 11.2 million.

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*Semex-Ukraine works out of the Main Selection Centre in Pereyaslav-Khmelnytsky near Kyiv. The key people leading this endeavor are (l-r): Boris Bytsyura – Farm Manager, Emma Kolodiy – Marketing Manager, Iryna Mentou – Pedigree Programs, Volodymyr Fychak – Feed & Selection Programs, Rambo Slava Saulko – Chief Veterinarian, Svetlana Fialova – General Manager, Andre Prykhodko – Veterinarian, Zina Yakovenko – Sales Manager.*