

VIKTOR YANUKOVYCH:

AGRICULTURAL POLICY

Balancing Food Security and Export Markets in the “Breadbasket of Europe”



With foresight and experience, Prime Minister Yanukovich has led the government to stabilize Ukraine’s grain market and protect the interests of our 43 million citizens. He also continues to promote production expansion and export of other agricultural goods, such as livestock, poultry, and feed—further protecting the interests of our farmers and bolstering our strong agricultural economy.

While the nation indeed experienced one of the harshest droughts in decades, the Yanukovich administration has kept grain reserves intact and bread prices stable, while allowing exports to serve Ukraine’s critical trade partners.

It is for good reason that Ukraine is known as the “Breadbasket of Europe.” With more than 42 million hectares of fertile agricultural land, our country is poised to become one of the largest grain producers in the world. In May 2007, the United States Department of Agriculture acknowledged Ukraine’s high production levels and growing competitiveness in the world agriculture market.

But beyond our agricultural boom, the most important purpose of our harvests is to feed Ukrainians first.

Over the past year, our country has experienced a grave drought that has hurt more than 10 million hectares of crops, reduced grain supply, and affected bread prices. The good news is that this lower-yield year follows highly productive seasons that helped stock the national grain reserve and stabilize bread prices.

Protecting Our Food Supply to Keep Prices Down

Still, the recent drought has seriously affected harvest forecasts. That’s why the government, under Prime Minister Yanukovich’s leadership, took action for maintaining a healthy grain supply for its citizens—including drought-mitigation measures, wheat stockpiling, and grain export quotas. The Prime Minister believes that these initiatives secure an adequate amount of Ukraine’s total grain for our people, and then account for quantities available for export. The imposed

export quota simply ensures that, under any conditions, Ukraine has grain in stock and that its prices are stable.

While grain is certainly Ukraine’s most ample agricultural staple, Prime Minister Yanukovich believes that all food sources of significant importance to the Ukrainian diet must remain affordable and accessible to Ukraine’s people. Under the Prime Minister’s leadership, concerted measures were taken to substantially reduce food prices. As evidenced by the dramatic decline in meat prices, the direct result of the Prime Minister’s food pricing initiatives, a food staple which had once been subjected to an 18% price increase under the Orange Party, was again made affordable to Ukrainians.

Removing the Impediments to our Farmers

Of course, stringent regulations can be challenging in a competitive market. That’s why the Prime Minister’s efforts were made only after careful evaluation and consideration. In fact, compared with other, more stringent potential regulatory mechanisms, the quota is reasonable for the market and our farmers.

Additionally, the grain-export quota is permitted by the World Trade Organization, whose rules permit limitation of export and import when a domestic market requires it.

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Making Food Plentiful and Affordable

Specifically, Prime Minister Yanukovich has made certain that there is enough affordable bread for every family in Ukraine by:

- Instituting a “safety net” to protect assets of family farmers who are exposed to drought and required to re-sow failed crops
- Postponing local and national tax collection from farms exposed to drought
- Doubling farmers’ credit preference rate from 8 percent to 16 percent
- Creating governmental food reserves of 710,000 tons to stabilize prices and supplement grain export contracts when necessary
- Developing grain export contracts that are based on accurate harvest expectations to minimize government regulation
- Implementing a quota system that allows exporters to sell accumulated reserves on the open market

Leadership Matters.

These changes can be undone with unstable, inexperienced government. It happened in 2005 when the Orange took power and they could undo this growth again. Don't let it happen.

Elect an Experienced Team with Real Leaders.

Elect Victor Yanukovich and the Party of Regions.

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