

REPORT

VIII Dutch-Ukrainian Agribusiness Forum

February 15, 2017

KyivExpoPlaza, 2-B, Salutna str., Exhibition Hall #1, Conference hall #2

Kiev – 2017

Photo report of the forum – You may see [link](#)

All presentations [link](#)

General information about the forum

February 15, 2017, the VIII Dutch and Ukrainian Agribusiness Potato Forum was held under *Fruit. Vegetables. Logistics 2017* International Exhibition Program. Leading Dutch and Ukrainian experts discussed situation on potato market in Ukraine, defined priority directions in developing the area as well as possibilities for Ukrainian producers. During the Forum, a lively exchange of experience on organizing pilot projects on cooperation in Eastern Europe countries and the Netherlands in order to create added value in potato growing was observed.

In Ukraine, the potato is one of primary agricultural species that has been traditionally grown and consumed all over the country. **Carolien Spaans**, *Agricultural Counsellor of the Embassy of the Kingdom of the Netherlands in Ukraine* underlined that potato production was one of top-priority in Ukrainian and Dutch cooperation. “For the Netherlands, the potato is a strategic export project. Nearly 15% of world population regularly consume the potato produced in the Netherlands. Moreover, the crop plays a strategic role when it comes to working together and gaining profit from joint projects,” Mrs Spaans pointed out. According to her, the Embassy of the Kingdom of the Netherlands along with Dutch and Ukrainian partners closely cooperates on several levels: ‘We are aimed to stimulate cooperation and business between Dutch suppliers of seed material, agricultural machinery, equipment on harvesting, post-harvesting and processing of potatoes and their partners – Ukrainian farmers and potato producers,’ Carolien Spaans stressed.

Aslo she assured that the Netherlands was a reliable supplier of high quality planting material as well as technologies on growing and processing, “We see our important role in spreading and exchanging knowledge, innovations and leading experience. I believe, Dutch and Ukrainian Agribusiness Potato Forum is a contribution into a fruitful cooperation between the area of potato growing of the Netherlands and Ukraine, and it encourages Ukrainian professional potato producers on their way to provide s sustainable production and strengthen their positions on the world market.”

Mrs Carolien Spaans said, at that moment, Embassy was working on idea to obtain funding from Ministry of the Netherlands to study possibility to export processed goods made of Ukrainian potato. She considered Ukrainian advanced processing potato had great perspectives.

Mykola Hordiychuk, *President of Ukrainian Association of Potato Producers (UAPP)* also believes that the future of potato industry in Ukraine completely depends on development of processing sector. According to him, Ukraine is one the largest potato producers in Europe but they almost do not process it. It is one of the main reasons why the business has got a low efficiency in the country.

“According to our Association, the share of processing industry makes around 3-4% in the structure of Ukrainian potato harvest marketing, which means we sell almost all the volume of potatoes as fresh. In EU countries, where cropping capacity is almost 2-2.5 times higher than we have, the situation is almost quite opposite – they sell not more than 6% of fresh potatoes, while the rest is processed. At that, quality of potato surpasses ours by a level higher, while cost is significantly lower,” Mr Hordiychuk told.

The expert believes a powerful project on potato processing would be just in time for Ukraine.

“Primarily, it is about producing frozen French fries, demand on which grows up owing to development of HoReCa segment,” Mykola Hordiychuk shared. “Because of lack of raw material base, Ukraine import most of potatoes from Poland at present. Though, our own potential permits us to build a powerful production to satisfy not only internal market, but it would also be able to export raw material to other countries. Currently, we know about plans to build such new projects in Russia and Kazakhstan, while Ukraine could be alongside with those countries too. At present, many companies consider investing into potato processing technologies, yet they have quite many doubts on this account as investment is huge and without a prepared sales market company cannot venture to do that. To my mind, we are not competitive yet with the kind of quality we have got in this country.”

Mr Hordiychuk considers CIS countries, South Africa countries, Asia and Middle East as the main export

directions for selling frozen French fries produced in Ukraine. Prospectives to enter EU market with processed potato products are very small because these countries satisfy their need with goods of their own production.

The expert also said that, that year, under support of government of the Netherlands, a private sector support and development project was held and resulted in publishing a guide on potato diseases and pests presented at the Forum.

Karst Weining, from *Dutch Organization of Potato Merchants (NAO)*, believes Ukraine to be potentially attractive for building potato processing facilities. “You are a huge country producing lots of potatoes, though, I have got an impression Ukraine is surrounded with a fence over which it is unable to get potatoes to the rest of the world. One should not grow potatoes only for internal market. As, on a year when over production happens, it will set the prices down; instead of that, one should diversify risks and be more integrated into an international market.” According to Karst Weining, investors will come to Ukraine only when they see enough of producers growing potatoes with crop capacity being minimum 40 TPH. “At first, Ukrainian producers should improve the level of crop capacity and quality up to the point considered as stable by international processors, and only then they can count upon investment flow into potato business for Ukraine,” the Dutch expert recons.

At the same time, Ukrainian producers present in the West spoke up that high level of crop capacity was impossible to achieve without irrigation while constructing an irrigation system involved substantial investment which under the situation of limiting free market of agricultural land caused great risks. They expressed their readiness to negotiate with processors in order to jointly develop the area of potato growing and master new markets for Ukrainian potato overseas.

PROGRAMME

VIII Dutch-Ukrainian Agribusiness Forum

Moderator: Taras Vysotskyi, General Director, Association «Ukrainian Agribusiness Club»

12:30-13:00	Registration and Welcome-Coffee	
13:00-13:20	Opening and Welcoming Speech Volodymyr Pugachov , Deputy Director of Food Department - Head of Food Industry Development Strategy Department Taras Vysotskyi , General Director, Ukrainian Agribusiness Club Carolien Spaans , Agricultural Counsellor, Netherlands Embassy Mykola Gordiychuk , president of the Ukrainian Association of Potato	
Current situation in potato sector		
13:20-14:00	Mykola Gordiychuk , Association of Potato Producers	Potato facts, figures in Ukraine and EU.Main problems and lessons learned in different regions in Ukraine in 2016
	Vasyl Bolekhivskyi LLC “Agro LV Limited”	Best practice: production cost of high quality potato in 2016, market situation and expectation of 2017
Result is Dutch PSD (Private sector Development) program in Ukraine		
14:00 – 15:00	Viktor Riznyk , Association of Potato Producers	Results of PSD program “Support of the Ukrainian Potato sector”. Presentation of the potato diseases and pests directory.
	Harm Brinks , Delphy	Main characteristics of different type of soil in Ukraine (on the basis of results of soil analysis) / general fertilizing programme
	Karst Weening , Nederland’s Potato Organization (NAO)	Potato processing possibilities, demand in Ukraine and on the world markets
Examples of cooperation in potato sector		
15:00-15:30	Benno Grimberg & Natalia Zelenska , FoodTechLink Ukraine	Dutch technologies for adding value to potato processing
15:30 – 16.00	Panel discussion: Successes of the Dutch business in Ukraine	Moderator: Herman Vermeer, PLUS for Progress in Agriculture
16:00-16:30	Coffee Break / networking	