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## Ukraine

### Oilseeds and Products

### Oilseeds and Oils Update

**2008**

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**Report Highlights:**

The Government of Ukraine introduces new regulations on sunflower seeds and sunflower oil.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Kiev [UP1]  
[UP]

The Government of Ukraine (GOU) has added sunflower oil and sunflower seeds to the list of state regulated products. This means that the GOU has the right to set minimum and maximum prices for sunflower oil and sunflower seeds on the market. The GOU has also determined the time frame for price regulation to be from August 1, 2008 until July 31, 2009. The Decree was adopted on November 26, 2008.

According to the GOU sunflower seeds supply is much higher than crushers' demand for seeds due to the record high sunflower seed crop this year. As a result the price for sunflower seeds dropped by 55-65% compared to the price last marketing year.

By adoption of the Decree, the GOU intends to support agricultural producers and help them to sell sunflower seeds at favorable prices, higher than the current market price.

As a consequence of the huge supply of sunflower on the domestic market and low world prices for vegetable oils, the price of sunflower oil also dropped dramatically. The decrease in price of sunflower oil is 40-50% in December 2008 compared to September 2008.

The other measure that the GOU proposes to take to support sunflower seeds price is to cancel the export duty levied against sunflower seed exports starting at the end of 2008/2009 marketing year. The decision is not taken yet. Today's sunflower seeds export duty is 16%. Another proposed measure is to introduce sunflower seeds export quotas in line with cancelation of sunflower seeds duty to ensure adequate stocks in Ukraine for domestic crushers.

