



practice of deep ploughing requires the use of high levels of fossil fuel energy, in an agricultural sector that already has inadequate supplies of fuel. Modern farm technology such as is available in Canada, could help change many of these out-dated farming practices.

Land Reform

Land reform is a controversial issue in Ukraine. At present, there is no strong legislation for governing the ownership and sale of farm land in Ukraine, discouraging many people from becoming private farmers. Most of Ukraine's farm land is owned by the state and not by individuals, providing no incentive to properly manage farm land. Vast areas of farm land have been neglected to a point where they are unproductive or are not being farmed at all. Current estimates are that 1.5 million hectares of farm land in Ukraine are not being farmed. This situation exists when there are reports of food shortages and restrictions on the amount of land that private farmers can farm.

Many collectives in Ukraine are not viable enterprises and must be dismantled. This should not simply be done by distributing the farm land in small (2 to 3 hectare) parcels amongst the farm workers because there is not enough farm equipment presently available to effectively farm such small parcels of land. Not all farm workers desire to be private farmers or are capable of doing so because of age, lack of education or ambition. The collectives should be dismantled by turning over the land into competent private hands, in parcels, that can be economically viable given the amount of farm technology and other resources available. This process should also be done in a manner that does not lead to land speculation, inflation, farm worker displacement or further disruption of the agri-food sector.

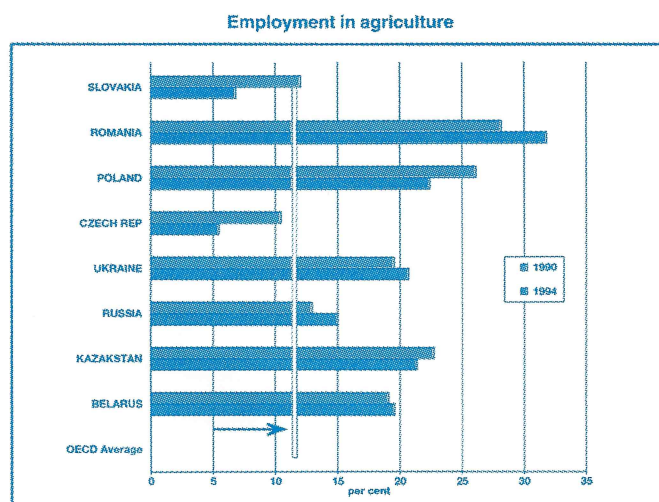
Canadian Involvement in Ukraine's Agri-food Sector

Agriculture, along with energy and construction, is one of the three major areas of economic cooperation between Canada and Ukraine. Ukraine's agri-food sector represents an enormous business investment opportunity, especially for our farm machinery manufacturing sector. Agriculture has been ignored from the Canadian side as it was believed that reform in Ukraine's agri-food sector was moving too slowly. This is a misinformed point of view because in order for reforms to proceed, they must be supported from outside influences as well. Canada's involvement in Ukraine's agri-food sector should be a two-fold approach and have clear objectives. Our involvement should be from our private sector, through direct investment in Ukraine's agri-food sector as well as government assistance through developmental projects that contribute to the education of farmers and to reform in the agricultural sector.

The private sector of Canada's agricultural industry, especially our farm technology manufacturers, has to learn more about Ukraine's agriculture, and explore the opportunities for marketing farm technology that will change farming practices in Ukraine. Making direct investments in Ukraine's economy will be difficult as their currency is not convertible and is relatively weak. Mechanisms for financing farm technology purchases by Ukraine's farmers will have to be developed. Companies interested in marketing their farm technology have to realize that business investment ventures must be well-planned, long-term business learning experiences. The United States Department of Commerce, International Trade Division, in its economic assessment of Ukraine, lists agricultural chemicals, agricultural machinery and equipment, and food processing and packaging equipment as the three best prospects for investment in Ukraine's economy. Canada's agri-food industry is highly developed in these areas and should take advantage of such investment opportunities.

At present, Ukraine's farmers are uninformed about our modern farm technology/practices and how this modern technology can increase their productivity. To overcome this, Canadian farm machinery manufacturers need to produce translated information packages about their products. Some Canadian farm machinery manufactures have already started to do this.

Under Soviet centralized planning in agriculture, a system for educating its farmers (agricultural extension) in modern farming practices was virtually non-existent. High level bureaucracy, removed from the day to day operations of farms, made all farm management decisions, passing them down to be carried out without question. Although a system of teaching Ukraine's farmers better farm management practices has been implemented, it is presently unable to meet the needs of beginning farmers. This is a potential area for involvement from Canada's agricultural sector.



Note: Share of total civilian employment (without hunting, forestry or fishing).

Saskatchewan Demonstration Farm

An example of an agricultural project with clear objectives is the Saskatchewan demonstration farm at Pereyaslav-Khmelnitsyi near Kyiv that was initiated in 1995. The project involves an initiative by the Saskatchewan government and farm machinery manufacturing companies from Western Canada. The project will demonstrate modern farm equipment, agricultural technology and farm management practices bringing the agri-food sectors of Ukraine and of provinces such as Saskatchewan closer together, creating business opportunities for both sides. In order to effectively pursue such objectives, the province of Saskatchewan is producing translated technical information packages about its agri-food sector.

Conclusions

The agricultural sector in Ukraine is still experiencing serious problems, but there are signs of improvement such as the progress that private farmers have made. Unfortunately, the number of these private farmers and the amount of land that they farm is very small. Canadian initiatives must have as a clear objective, the improvement of the productivity of Ukraine's private farmers since these farmers have demonstrated their capability to change an agricultural sector that has been deteriorating for a long period of time.

Agriculture, if reformed, is the sector that can most effectively influence the direction of Ukraine's entire economy since agricultural production involves such a large proportion of Ukraine's population and it has potential for growth into export markets.

Dennis Kowalsky had the opportunity to work as a volunteer in Ukraine's agricultural sector on two separate occasions. In 1995, he was a participant in the Canada-Ukraine Partners Program, while in 1996, he participated in the Professional Partners Program of the Association of Universities and Colleges of Canada. Both programs were funded by CIDA.