Iowa Farm Bureau

Black Sea Study Tour

June 22 – July 5, 2013

David Miller

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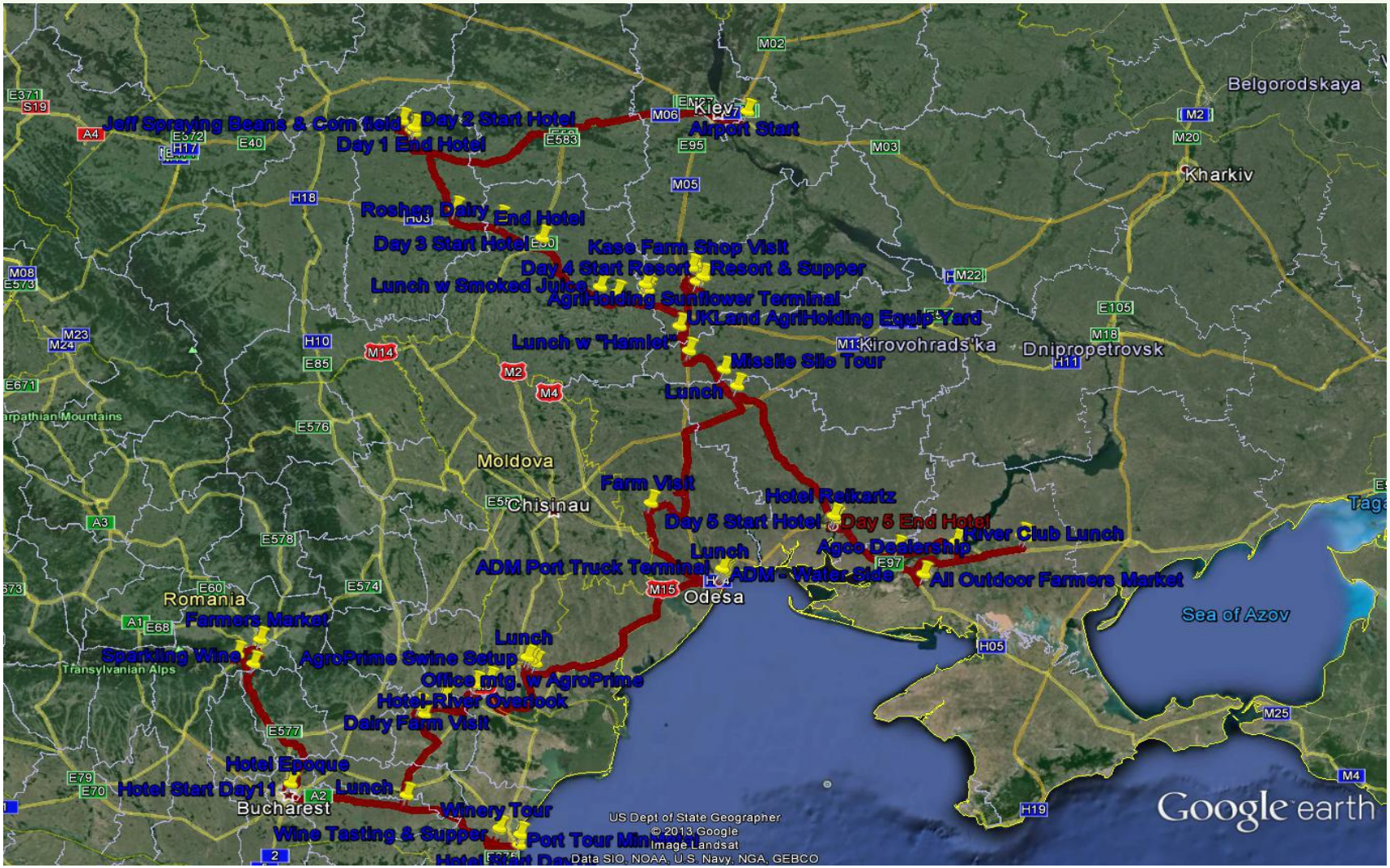
Tour Route



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A bit about Ukraine

- About the size of Texas
- 100 million acres arable land
- 75 million acres currently farmed
- Deep, black soils
- Kansas climate
- Mostly adequate rainfall in the north, irrigation in the south
- “Breadbasket of Europe”

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Ukraine Agriculture

- Dominated by large farms (Ag Enterprises)
  - Investment Capital
  - Large fields, but fractured land ownership
  - Machinery Utilization Efficiency
  - 5-6 crop diversification common
  - Labor inefficiency
  - Administrative inefficiencies

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The Horse Stable

Expanding Grain Storage

Large Agri-enterprises are building new grain collection and storage facilities.

This Kernel Grain Facility built in 2006 which handles small grains and corn, but concentrates on sunflowers had 600,000 tons of existing storage and was adding new storage.

Grain collected here was shipped to 5 processing plants across Ukraine.

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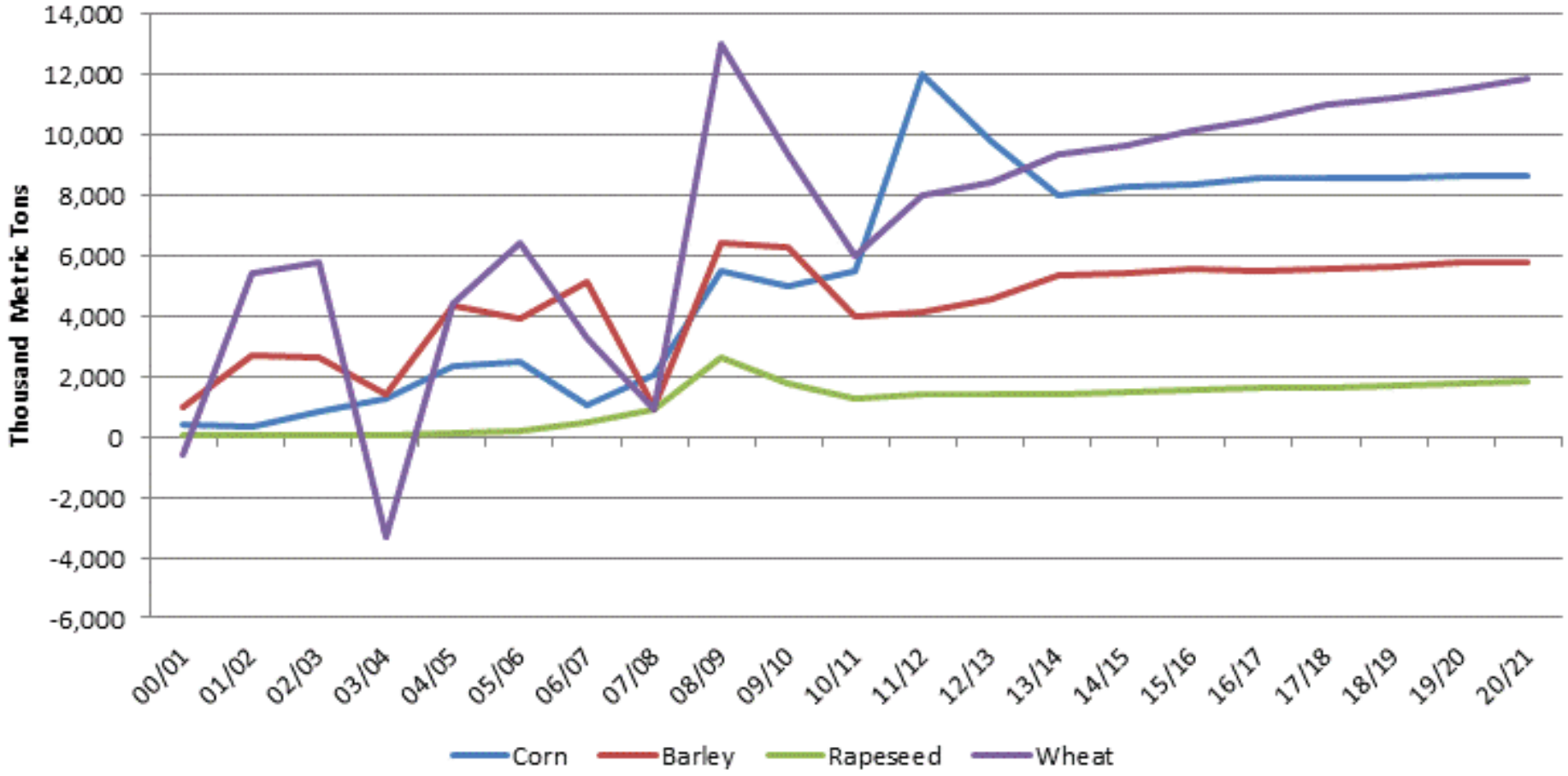
Large Fields & More Large Fields

Modern Port Facilities

Ukraine Grain Exports



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Summary

- Competitive Strengths
  - Large scale
  - Soil resources
  - Export ports
  - Capital inflows
- Challenges
  - Roads & Infrastructure
  - Land policy
  - Weather
  - Social customs
  - GMO policy

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Conclusions

- Gains made in the last decade will continue
- Further gains will be made, but the rate of increase will slow
- Property rights matter & are fundamental to long-term ag prosperity
- Iowa will remain very competitive

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I heard it was almost
break time!