

# THE UNITED STATES AND COLORADO STATE AGRICULTURAL TRADE WITH UKRAINE

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In recent years, agricultural trade and its impact on developing and post-soviet countries have attracted growing attention. While manufacturing protection has declined worldwide following substantial reforms of trade policies, especially in developing post-soviet countries, most industrial and many post-soviet countries still maintain agriculture at high levels. What happens in the global agricultural market is important for Ukraine, as the world bread basket, because beyond the price changes triggered by global reforms and trades. For Ukraine, increasing agricultural exports can accelerate growth more than expanding domestic market demand can. Although food production for home consumption and sale in domestic markets accounts for most agricultural production in the world, agricultural exports and domestic food production are closely related.

The purpose of the article is the United States and Colorado state agricultural trade with Ukraine trends analyze and future prospects identify research.

Despite tremendous change in the past years in global specialization and trade in manufacturing, remarkably little structural change has occurred as in U. S., as in global agricultural trade flows. U. S. agriculture exports totaled 119 billion dollars, what is 9 % decrease from 2014 [4]. Currently, the top agriculture export markets include China, Canada, Japan, Mexico and South Korea. The top agricultural products exported from the U.S. include oil seeds, meat, cereals, fruits, nuts and food industry residues. Worldwide agricultural production was high in 2015, with high crop harvests in all regions. This generated higher supplies ready to be trade. The FAO food price index, comprising the averaged prices of the most important agricultural product categories weighted with their average shares in world trade, started off in the beginning of 2014 at the lowest level since 2011.

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*Tab.1 Top U. S. Agricultural Exports to Ukraine*

Description	Years, U. S. Millions Dollars			Δ 2015 to 2014, %
	2013	2014	2015	
Fish, Crustaceans and Aquatic Invertebrates	81	43	21	-52
Tobacco and Manufactured Tobacco Substitutes	17	9	8	-10
Dairy Products, Bird Eggs, Honey, Ed Animal Products	30	18	6	-66
Miscellaneous Edible Preparations	11	6	5	-26
Total	232	120	55	-55

Colorado is one of the top agricultural states in the U.S., that produce crops, livestock, dairy and eggs that are virtually unmatched across the country and around the globe. The state export annually more than 2 billion dollars in agricultural products, providing people around the world with the high quality agricultural commodities. Colorado agriculture is spread across 36000 farms and ranches on nearly 32 million privately owned acres of land, and another 20 million agricultural acres of leased both federal and state land. Agriculture of this state contributes more than 40 billion of dollars annually to the U.S. economy and employs more than 170 000 people, which proves that Colorado is an agricultural state [7]. It should be noted, that more than a million acres across the state are dedicated to the corn crop that supplies raw materials for feed, fuel and biodegradable products in the U.S. and internationally.

It should be noted, that Colorado State University, The University of Colorado and National Renewable Energy Laboratory, three hotbeds of public agricultural technology and research, are all within 100 miles of each other and sit in proximity to Colorado's most productive agricultural area – the northeast corner of the state. They include Western Colorado Research Center that is managed by Dr. Stephen Menke, and it includes research fields and gardens, wine lab and winery. This CSU center cooperate with local wine producers, designs new sorts of wine, research and provide alternative ways of gardening and grape growing.

Talking about Colorado agricultural trade connections with Ukraine, we should highlight exports of oil, miscellaneous and meat to Ukraine. Total agricultural export to Ukraine amounted 618661 U. S. dollars in 2013, but \$ 48296 in 2015, which is 73 % decrease, what could be explained by increasing volume of Ukrainian imports to U. S. Anyway, in 2015 Colorado State exported to Ukraine oil, misc grain, seed, fruit and plant production on a sum of more than 48 thousand of U. S. dollars [7].

According to 2014-2015 marketing year, cereal production, across Ukraine but excluding Crimea, reached another record 68, 3 millions of tons, as average yield increased from 40,6 to 43,7 tons from hectare, which proves a great export potential of country. Cereals are the main exported agricultural product in our country that are traded worldwide, including the U. S. Only this year we exported to U.S. cereals for \$ 3,610 million, what is more than one third of total agricultural exports, which is \$9,664 million's.

It should be mentioned that despite the fact that Ukrainian-World export decreased in comparison with 2014 (from \$ 11,482 million in 2014, to \$ 9,664 million in 2015), export to China increased tremendously for a 109% in comparison with pas year [6]. All above proves that Ukraine has won a decisive battle for the Chinese market, which could become a great platform for the development of our farmers. Another potential agricultural trade markets for Ukraine are Turkey, India, Egypt, Spain and U.S. In recent years, U. S. agricultural trade market becomes more perspective and has tendencies for Ukrainian producers export increase opportunities (tab.2).

*Tab.2 Top U. S. Agricultural Imports from Ukraine*

Description	Years, U. S. Millions Dollars			Δ 2015 to 2014, %
	2013	2014	2015	
Oil Seeds, Misc Grain, Seed, Fruit, Plant	0,7	11	73	551
Dairy products, Bird Eggs, Honey, Ed Animal Products	6	12	31	169
Animal and Vegetable Fats, Oils and Waxes	4	8	12	44
Wood and Articles of Wood, Wood Charcoal	0,5	1	5	212
Fish, Crustaceans and Aquatic Invertebrates	3	2	4	109
Total	33	45	137	201

However, Ukraine has a tremendous agricultural commodities trade potential, but this potential hasn't been realized fully, partly due to inappropriate and inconsistent policies. The main challenge for Ukrainian agricultural policy is making support to agriculture stable trade, transparent and predictable political situation, establishing clear goals and mechanisms, ensuring that both agricultural producers and purchasers will receive the necessary support

and government guaranties. To fully benefit from U.S. and Ukraine agricultural trade accession to enhance its export of agricultural and food products, our country will have to place importance on food safety and quality and implement certification and management control systems to document compliance with U. S. and internationally accepted standards.

**Conclusions.** Export growth contributes significantly to the growth of agriculture overall by generating foreign currency cash income for modernizing farming practices. For the Ukraine economy those, growth and modernization of agriculture create jobs in agricultural processing and marketing, as well as the expansion of other nonfarm jobs. That is why, taking into account, increasing export volume and general Ukrainian agricultural commodities export potential, the U. S. agricultural market becomes increasingly perspective for the Ukrainian agricultural producers.

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