

**Інтерв'ю Міністра аграрної політики та продовольства України
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Bloomberg: Ukraine Sees EU Grain Debate as More About Politics Than Trade

<https://www.bloomberg.com/news/articles/2024-03-25/ukraine-agriculture-minister-eu-grain-debate-as-more-about-politics-than-trade>

25.03.2024

- Several EU nations want the bloc to limit imports from Kyiv
- Ukraine's agriculture minister Solskyi speaks in interview

A push by several European Union member states to limit the import of grain from Ukraine is politically motivated and not an economic problem for those governments, the country's agriculture minister said.

Mykola Solskyi is set to address EU agriculture ministers meeting in Brussels on Tuesday as the bloc remains stymied over an extension of preferential trade measures for the war-torn nation. Several member states have said the most recent proposal doesn't do enough to address the disruptive flow of Ukrainian grain, a charge that Solskyi disputed.

"In my opinion, as of today, this is not a trade issue," he said in an interview in Brussels on Monday. "It is first of all political, to meet the demands of farmers in the EU. If we take the numbers and look at the situation objectively then I think 80% of questions that are being discussed will be lifted."

Solskyi plans to meet with France's agriculture minister and will then go to Poland, where he will also address farmers, who have been most vocal in protests urging their government to also halt the transit of Ukrainian grain.

Farmers, who have been staging demonstrations across Europe in recent weeks over Ukraine's imports and the EU's regulatory burden, are planning another protest in Brussels on Tuesday outside the agriculture ministers meeting.

The EU is still wrestling with how to continue supporting trade with Ukraine without hurting its own farmers. On the table is a one-year extension of the so-called autonomous trade measures that give Kyiv almost unfettered access to the EU market. The clock is ticking for a deal, with the current trade breaks set to expire on June 5.

Under the most recent plan, which has yet to be approved by EU member states, tariffs would be restored if there's a surge in imports on products including corn, poultry, sugar and eggs above the average trade volumes of the past two years. The proposed safeguards, however, don't include grain, a step demanded by Poland and France.

The EU imported more than 17 times the amount of soft wheat from Ukraine in the 2022-2023 season compared with the previous year, before the war, according to French agency Intercereales.

Solskyi said that the "Ukrainian factor" isn't the main one driving down global prices because good harvests elsewhere, including in Brazil and Argentina, are carrying more impact. During his visit to Poland, Solskyi said his message will be for the "Polish society and farmers to

understand that there are many myths in this situation.” In recent weeks, Polish farmers have blocked border crossings with Ukraine, as well as to Lithuania and Germany, demanding protection from Ukrainian imports.

“If we talk about transit through Poland, grain is practically not going there at all. All the monthly transit equals about one day of Odesa ports’ operation, about 250,000 tons. It is not critical,” he said. “However, this blockade impacts other products, provokes wrong emotions, on which we need to spend time and this is not the first thing we should be doing with the Polish government.”

Solskyi said that if talks fail, there is an option to retaliate through the World Trade Organization but “we wouldn’t want to do it.”

Forecasting production, Solskyi said that Ukraine will produce 5%-10% less wheat this year because a smaller amount of land was sowed, while the rapeseed harvest is expected to be at the same level as last year. Similar volumes are expected on corn, oilseed and soybeans, he added.

The Financial Times: Franco-Polish curbs on Ukrainian imports risk extending war, Kyiv says

<https://on.ft.com/43ERdJf>

26.03.24

Ukraine’s agriculture minister Mykola Solskyi warns Warsaw and Paris against hardening restrictions on food

A Franco-Polish push to expand curbs on Ukrainian food imports into the EU risks prolonging Russia’s war in Ukraine, according to Kyiv’s agriculture minister.

Mykola Solskyi told the Financial Times that the additional restrictions, subject of a fierce debate within the bloc and designed to placate angry farmers, would hit Ukraine’s revenues and “increase the chances that the war will drag on”.

Warsaw and Paris have been leading efforts to harden a provisional deal struck last week that would put caps on many Ukrainian imports in return for extending a tariff-free regime adopted after Moscow’s full-scale invasion in 2022.

Farmers in Poland have blockaded the border with Ukraine, while in France, anti-Ukrainian sentiment has also been growing, increasing pressure on French President Emmanuel Macron to back tighter curbs.

Ambassadors from all the EU’s 27 nations are set to meet as early as Wednesday to finalise the farm imports deal with Ukraine. Last week’s provisional agreement already included cuts worth more than €400mn over the next year, if Kyiv cannot find alternative markets. The Franco-Polish proposal would reduce this by another €800mn, as it would add Ukrainian cereal to the list of restricted imports and lower caps on poultry, eggs, sugar, oats, maize, groats and honey.

Diplomats said the swing vote would be in the hands of the Italian government, as a positive decision would require the backing of a majority of member states, weighted according to the size of their population. If Rome backs Warsaw and Paris other member states will have to agree to bigger cuts to prevent tariff-free access ending in June.

Two EU diplomats said Rome would aim for a compromise, slicing another €200mn off by lowering existing caps and not by adding wheat as France and Poland insist.

Solskyi said it was not Kyiv's fault that bumper harvests in the US and Latin America had depressed cereal prices. "Eighty per cent of the problems that are usually connected to Ukrainian exports do not exist. They are imaginary."

He said more protectionism and subsidies were not the solution for Europe's farmers, as they needed to become more efficient to compete in global markets.

"With the help of subsidies alone, we will not be able to compete effectively," Solskyi said. "Competition is always more important for development than subsidies."

The EU's €60bn-a-year Common Agricultural Policy should be targeted at innovation and the smaller farms should be encouraged to form co-operatives to scale up, he said. "Sooner or later," he added, the EU would have to decide whether "not to use subsidies any more".

Estimates show that Ukraine would absorb a fifth of the CAP budget if the subsidy scheme still applied when Kyiv's application to join the bloc succeeds.

Solskyi will attend a meeting of EU agriculture ministers on Tuesday where they are due to approve proposals that would significantly loosen environmental rules for the bloc's farmers.

These include deleting requirements for farmers to set aside arable land to lie fallow and exempting farms of under 10 hectares from having to comply with any environmental standards in order to receive CAP funds.

A senior EU diplomat said that the measures, which the European parliament has already agreed to fast track, were backed by a majority of member states.

They have been put forward as a sop to farmers who have been protesting across the bloc since the start of the year. Further demonstrations are planned in Brussels on Tuesday.

Irish climate minister Eamon Ryan said that if proposals put forward "undermine or stop the ambition on climate the people worst affected by that will be the farmers".

But Solskyi said he was sympathetic. "Frankly speaking, I think Ukrainian farmers... support their European peers and their demands to soften the European Green Deal."

Передрук:

[MSN](#): American media coverage of Mykola Solsky's FT interview in Brussels

[Interfax-Ukraine](#): Ukrainian media coverage of Mykola Solsky's FT interview in Brussels

France 24: Ukraine ready to licence farm exports to assuage Poland: minister

<https://www.france24.com/en/live-news/20240326-ukraine-ready-to-licence-farm-exports-to-assuage-poland-minister>

26.03.24

Brussels (Belgium) (AFP) – Ukraine is ready to introduce export licences for its agricultural products to help address farmer anger in Poland, its agriculture minister told AFP, adding that he was "disappointed" by EU curbs on those goods.

Polish farmers have since February been blocking border posts with Ukraine in protest at what they view as unfair competition from their neighbouring counterparts, who have special EU dispensation since 2022 -- the year Russia launched its all-out invasion -- to export duty-free into the bloc. Warsaw is calling for an EU ceiling on Ukraine imports, after having imposed one unilaterally last year. Both countries are looking for a way out of the impasse.

"The licensing system... We agree with it, we are ready to go with it, but only for four types of cereals," Mykola Solsky said in an interview late Monday. "We have the similar system working with Romania and Bulgaria already," he said. His comments came ahead of a meeting of EU agriculture ministers in Brussels on Tuesday that he was attending.

Solsky said there would be a meeting Wednesday between Ukrainian and Polish agricultural organisations that he would attend, along with his Polish counterpart. On Thursday the Ukrainian and Polish governments would hold a joint meeting on the issue.

Poland's development minister Krzysztof Hetman, quoted by Polish news agency PAP, said Monday that negotiations with Kyiv were "well advanced" and tackling sensitive products that could come under a licensing system, with a conclusion expected "this week".

Solsky, though, was more cautious.

"I cannot forecast what will actually happen in Warsaw this week.... I also would like to be optimistic. But I have to be realistic in this case," he said.

He said there was undue focus on exports going over the land border into Poland. "Ninety percent of Ukrainian agricultural products right now redirect through the seaports," he said, adding that "70 percent of Ukrainian grain has been exported to Asia, Africa and other parts of the world".

Capped products

EU member countries and lawmakers in the European Parliament have agreed to extend for another year, from June, the duty-free exemption for Ukrainian agricultural goods. But imports into the EU of poultry, eggs, sugar, maize, groats and honey are capped to average volumes from 2022 and 2023 as a "safeguard". Some EU countries want wheat and barley to be added to that list.

"We are definitely disappointed" at that outcome, Solsky said, adding that Kyiv wanted to discuss the figures before the announcement. The minister argued that sugar, for instance, should not have been capped because there was a "deficit of sugar in Europe" and its price was twice that of what it was before Russia's full-on invasion roiled markets.

"If after the 5th of June Ukrainian sugar is not be exported to the EU the internal price for sugar will be the highest in the world," he said. He also said that Ukraine supplied just one percent of the EU's demand for eggs and two percent of what it consumes in poultry -- adding: "I'm more than convinced that one percent does not influence the market."

On wheat, Solsky admitted that EU prices had dropped but said "this price is low not because of Ukraine, but because we have high harvests in Brazil, Argentina and America".

Farm associations in Europe are unconvinced, asserting that Ukrainian agricultural goods are underpriced in part because they do not have to abide by EU norms such as restrictions on pesticides and on mega-farms.

For Solsky, Ukrainian farmers face their own burdens in the form of more expensive imported fertiliser, a lack of workers, and higher logistical and insurance overheads.

As for a plan by Brussels to levy punitive import duties on Russian agricultural imports, Solsky said he viewed that as "a step in the right direction" -- but called on the EU to "go a bit further and actually impose a ban".

Передрук:

TV5 Monde: Agriculture: Kiev ready to control exports to appease Warsaw, according to the Ukrainian minister

La France Agricole: Kiev ready to control its agricultural exports to appease Warsaw

Challenges: French media coverage of Mykola Solsky's AFP interview in Brussels.

La Croix: French media coverage of Mykola Solsky's AFP interview in Brussels.

Barron's: American media coverage of Mykola Solsky's AFP interview in Brussels.

NBC: American media coverage of Mykola Solsky's AFP interview in Brussels.

Princeton Clarion: American media coverage of Mykola Solsky's AFP interview in Brussels.

Islander News: American media coverage of Mykola Solsky's AFP interview in Brussels.

Legit: Nigerian media coverage of AFP's interview with Mykola Solsky's.

Politico: EU discord over Ukraine free trade spells trouble for Kyiv's accession hopes

<https://www.politico.eu/article/eu-discord-ukraine-free-trade-spells-trouble-kyiv-accession-hope/>
28.03.24

EU countries' bickering over whether to grant Ukraine's farm production another year of access to their markets could well be a taste of what's to come if Kyiv becomes the bloc's 28th member. You thought all the fuss over Ukrainian agricultural exports to the EU was bad. It could just be the start.

A squabble among EU countries over whether to grant Ukraine's vast farming sector another year of emergency, no-strings-attached access to their markets could well be a taste of what's to come when negotiations on admitting the bloc's 28th member get down to serious business.

Leaders are trying to keep Ukraine's accession talks [on the down-low](#) until after the European election in June. Yet the EU is still struggling in the meantime to deal constructively — let alone in good faith — with a country of 44 million people that its politicians and bureaucrats are still getting to know and show little apparent interest in understanding.

"The complications around market access for Ukrainian agricultural commodities are an early wake-up call for EU governments," said Kai-Olaf Lang of the German Institute for International and Security Affairs, a think tank.

“Much will depend on the ability of the EU and member states to find solutions that will buffer the effects of rapid market opening,” he added.

The unease was again laid bare by a [last-minute push from Poland and France](#) to impose further restrictions on Ukrainian products, arguing imports are undercutting their own farmers.

Ukraine is [one of the world's largest](#) agricultural producers. The farming sector employs 14 percent of its population and generates 41 percent of total export earnings.

As Russia's war of aggression enters its third year, food exports have become vital to Ukraine's economic survival. One the war's bitterest battles destroyed [the Azovstal steelworks](#) — and that kind of damage to its Soviet-era industrial base has sapped its export strength.

Kyiv estimates that the requests by Paris and Warsaw would have lopped €1.7 billion off its export revenues; the European Commission estimates the losses at €1.2 billion.

For a country as [cash-strapped](#) as Ukraine, it's a tough pill to swallow. “Any restrictions mean less economic revenue for the country and therefore less support for our defense. And we still have to find that money somewhere,” Agriculture Minister Mykola Solskyi told POLITICO in an interview.

In a bid to placate countries blocking the [measures](#), the Belgian EU presidency proposed a new compromise that [finally won EU countries' backing](#) on Wednesday evening after over a week of haggling.

The [Belgian compromise](#) would still cost Ukraine €331 million in lost trade revenue, according to Commission estimates — far less than the €1.2 billion damage the restrictions demanded by France and Poland would have caused.

Kyiv has [slammed](#) the proposed restrictions as baseless and harmful to its war effort while failing to address the root causes of EU farmers' problems.

The new compromise still needs the backing of the European Parliament and the Commission. There's a risk that the extension of Ukraine's emergency access to the EU market won't get renewed before it expires in early June.

Enlargement woes

With Kyiv seeking closer ties with Brussels, the question remains as to how much the EU will have to change to accommodate Ukraine within its borders.

Importantly, Ukraine would become the [biggest beneficiary](#) of the EU's agricultural subsidies, if current rules apply — and that would only stoke the farmers' fury further.

What's happening now, “is more than foretaste. It's the reality of how difficult it will be for Ukraine to be a member of the single market,” said one European diplomat, granted anonymity due to the sensitivity of the discussions.

“[French President Emmanuel] Macron talks about sending boots on the ground, and now he's afraid of Ukrainian eggs,” they added, referring to the [push](#) from the French leader for artillery shells and western boots in the war-torn country at the end of February.

It's unlikely that things will get any less fraught once Ukraine moves closer to joining the bloc.

“This will have an influence on heads of state when they have to think about the EU's internal reform,” said a second EU diplomat, also granted anonymity to talk about the sensitive matter. “Farmers are not so much putting the blame on Ukraine, but more on the way the EU works.”

Farmers' woes

Talks on integrating Ukraine's massive agricultural sector will be tough, but a big fight over wartime emergency measures isn't the place to be holding them, according to Solyski.

The Ukrainian government has previously said it was ready to go back to the drawing board and revise its 2016 [free-trade agreement](#) with the EU, as part of its accession negotiations, to address the concerns of European farmers.

For Solyski, the immediate priority for the EU should be to allow Ukraine to export its products unfettered for at least another year. The restrictions imposed at the behest of some countries were driven by "political motivations" and not by evidence. "The situation of European farmers is difficult, [but] not because of Ukraine," he said. "These problems are much deeper, much broader, there are many other factors."

Ukrainian farmers can only wish for the problems of their EU counterparts, he said: "They don't have the luxury of protesting."

Some EU countries have heeded the call and taken a radically different tack from Poland and France in responding to their farmers' complaints about Ukrainian competition.

Danish farmers, for example, recently [raised a ruckus](#) over increased imports of Ukrainian eggs, which they say could cause their own prices to plummet.

Suck it up, their government said in response.

"There are things in this world that are more important than anything else," Agriculture Minister Jacob Jensen told reporters on the sidelines of an EU ministerial meeting in Brussels on Tuesday. "And what is on the security and foreign policy agenda in relation to Ukraine is that we must support Ukraine in everything we can."