

Ukraine Invest

YOUR INVESTMENT MATTERS



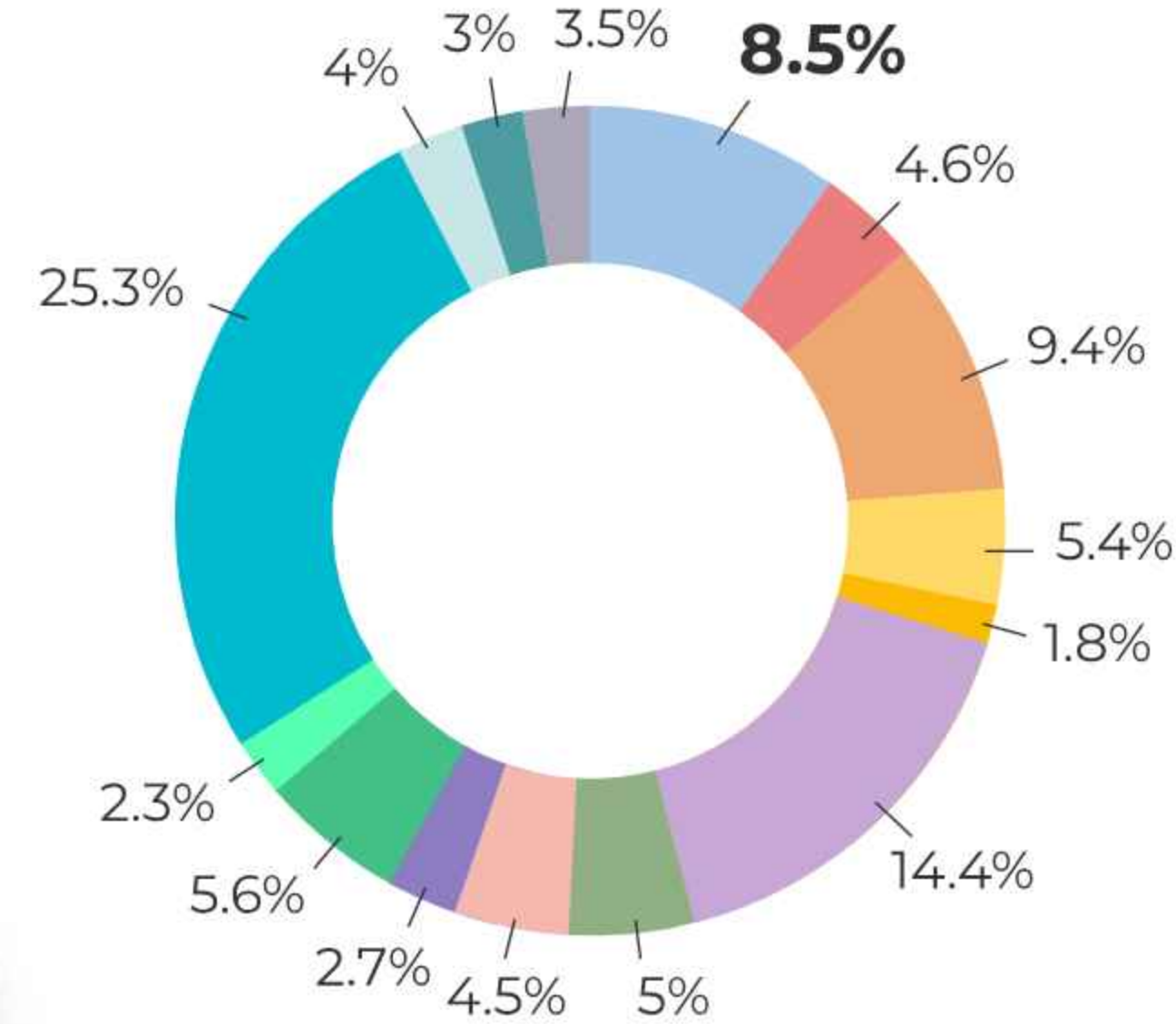
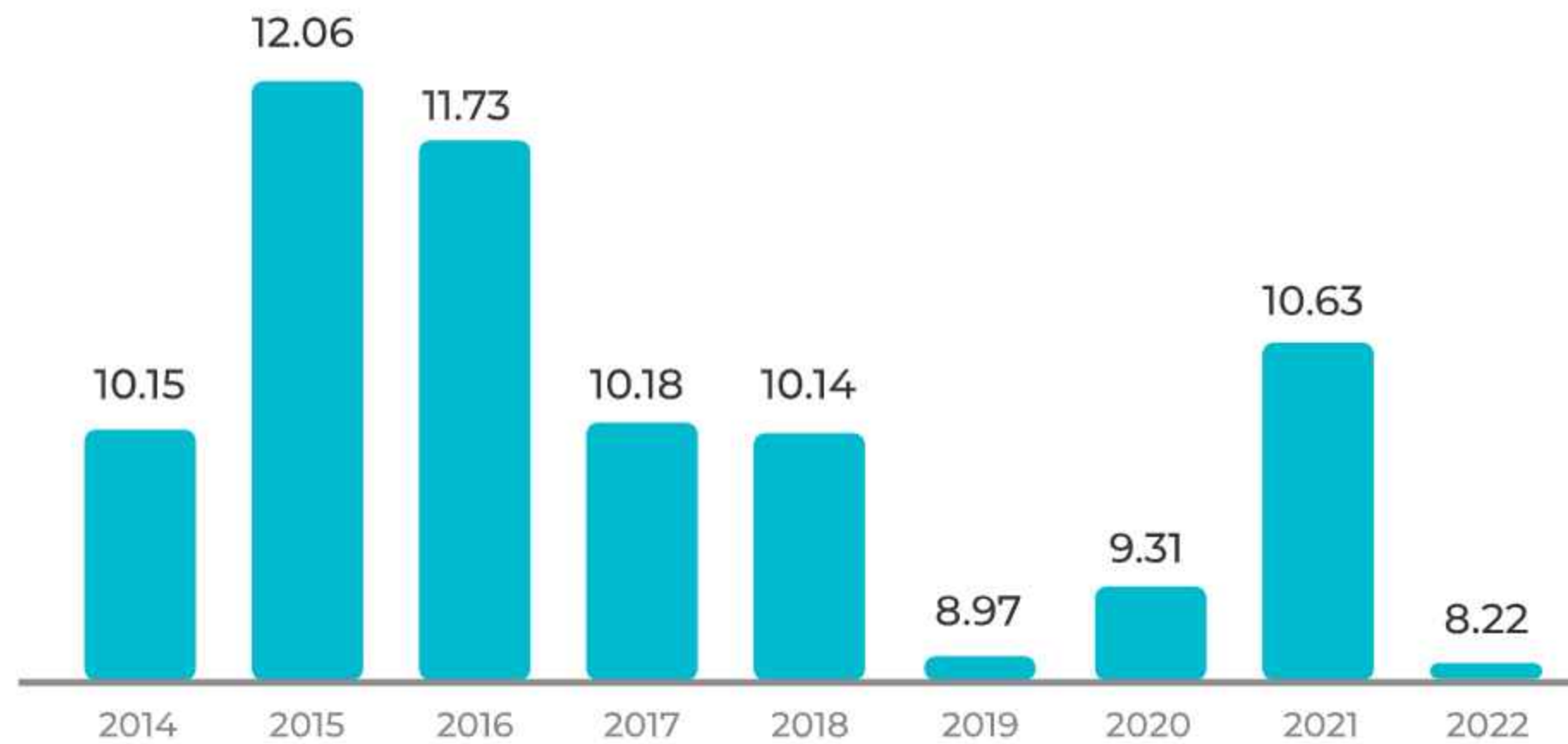
INVESTMENT OPPORTUNITY OF AGROPROCESSING SECTOR

AGRICULTURAL SECTOR OF UKRAINE

Macroeconomic overview

4% Agriculture's share in the structure of world GDP

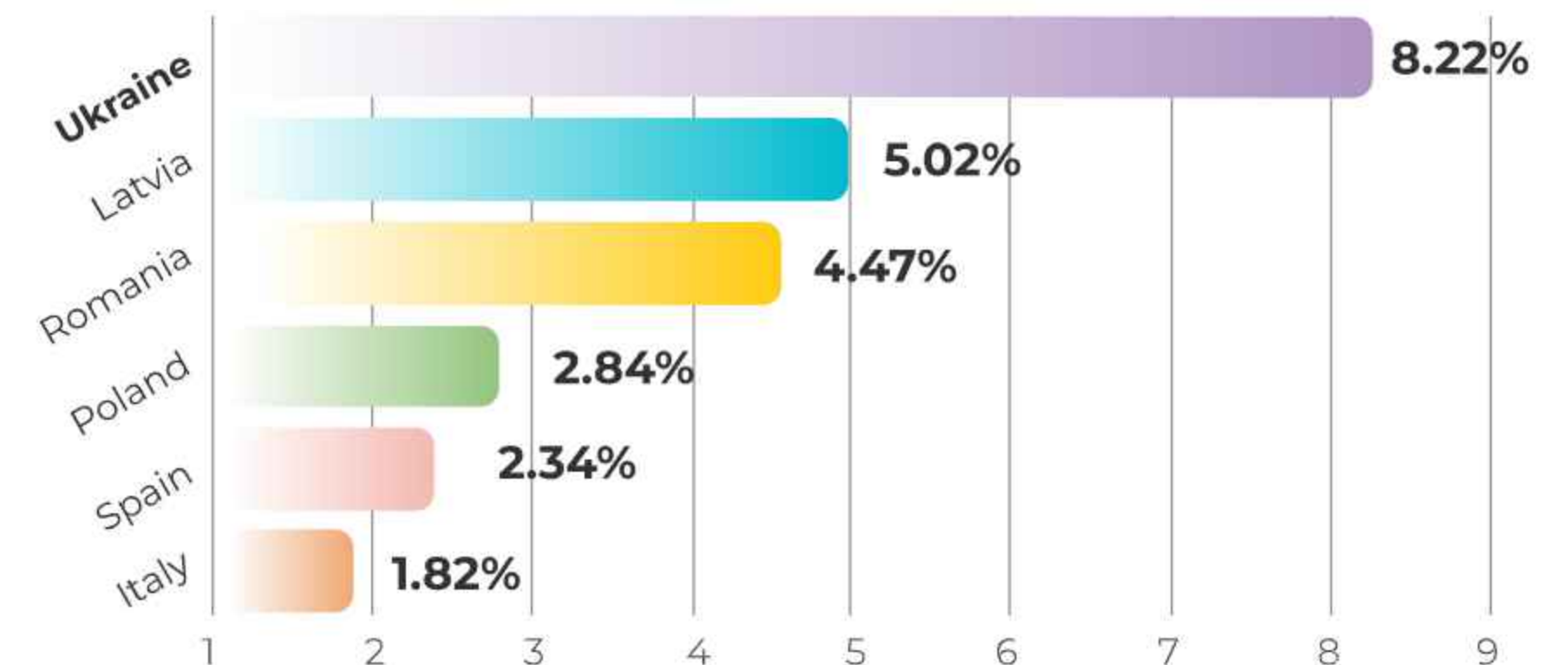
Share of the agricultural sector in Ukraine's GDP, %



Gross value added structure, 2023*



Agricultural sector share in the country's GDP, 2022



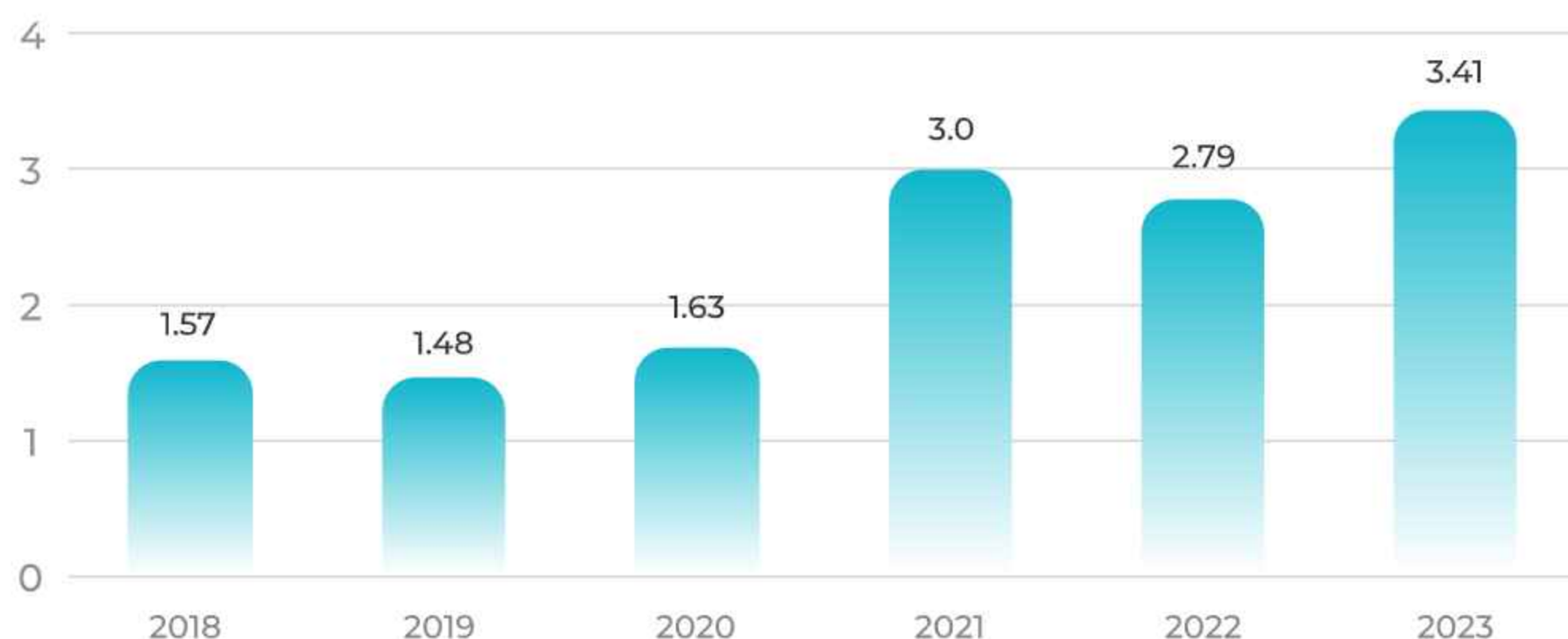
AGRICULTURAL SECTOR OF UKRAINE

FDI snapshot

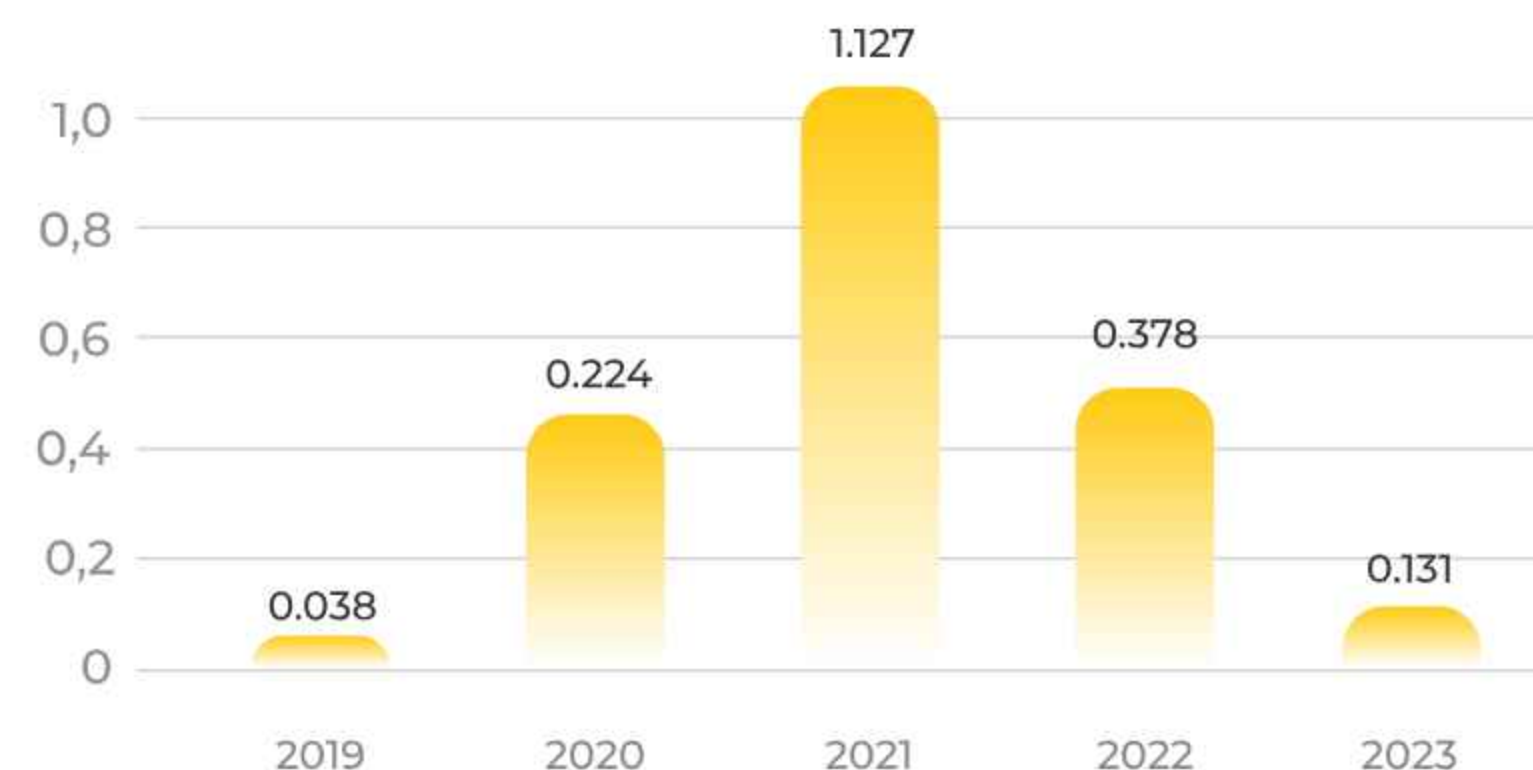
+6%

Increase the number of international private investment projects in the agricultural sector to achieve sustainable development goals in 2021-2022

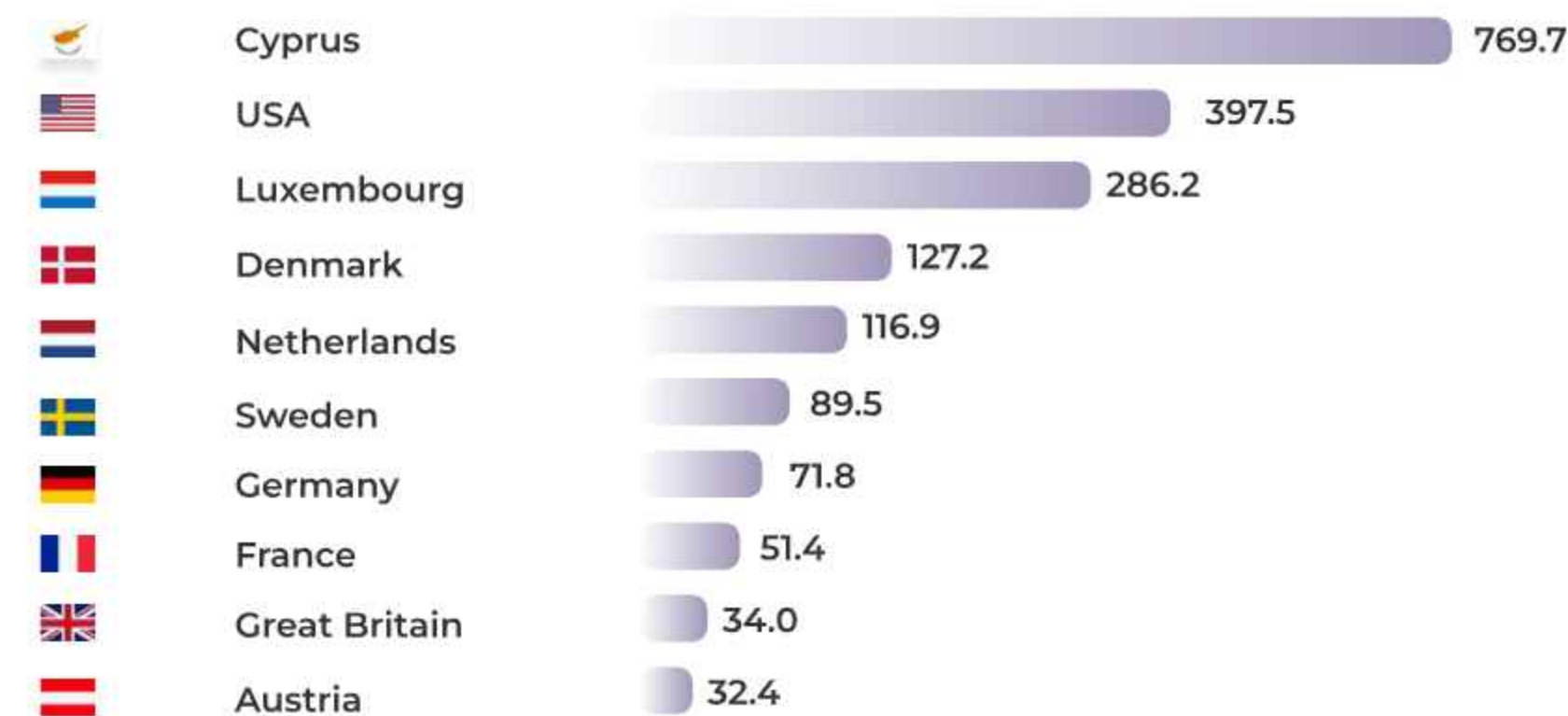
Total FDI in agriculture, forestry, and fishing, USD bln



FDI in agriculture, forestry, and fisheries, USD bln



Countries investing in agriculture, forestry and fisheries of Ukraine, USD mln, 2023



~3%

of FDI in **agriculture, forestry and fisheries** in Ukraine as a share of investment in other economic activities in 2023

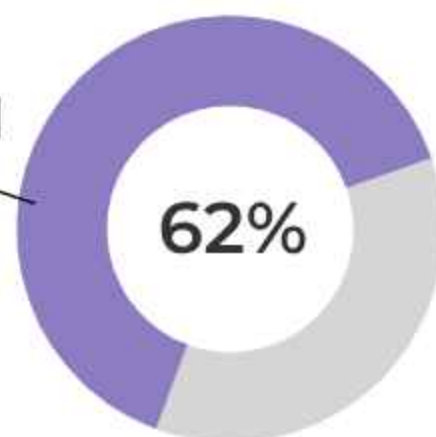
AGRICULTURAL SECTOR OF UKRAINE

Turnover of agricultural products



over
USD 20 bln
Exports of agricultural products, 2023

SHARE OF EXPORTS IN UKRAINE



Top-10

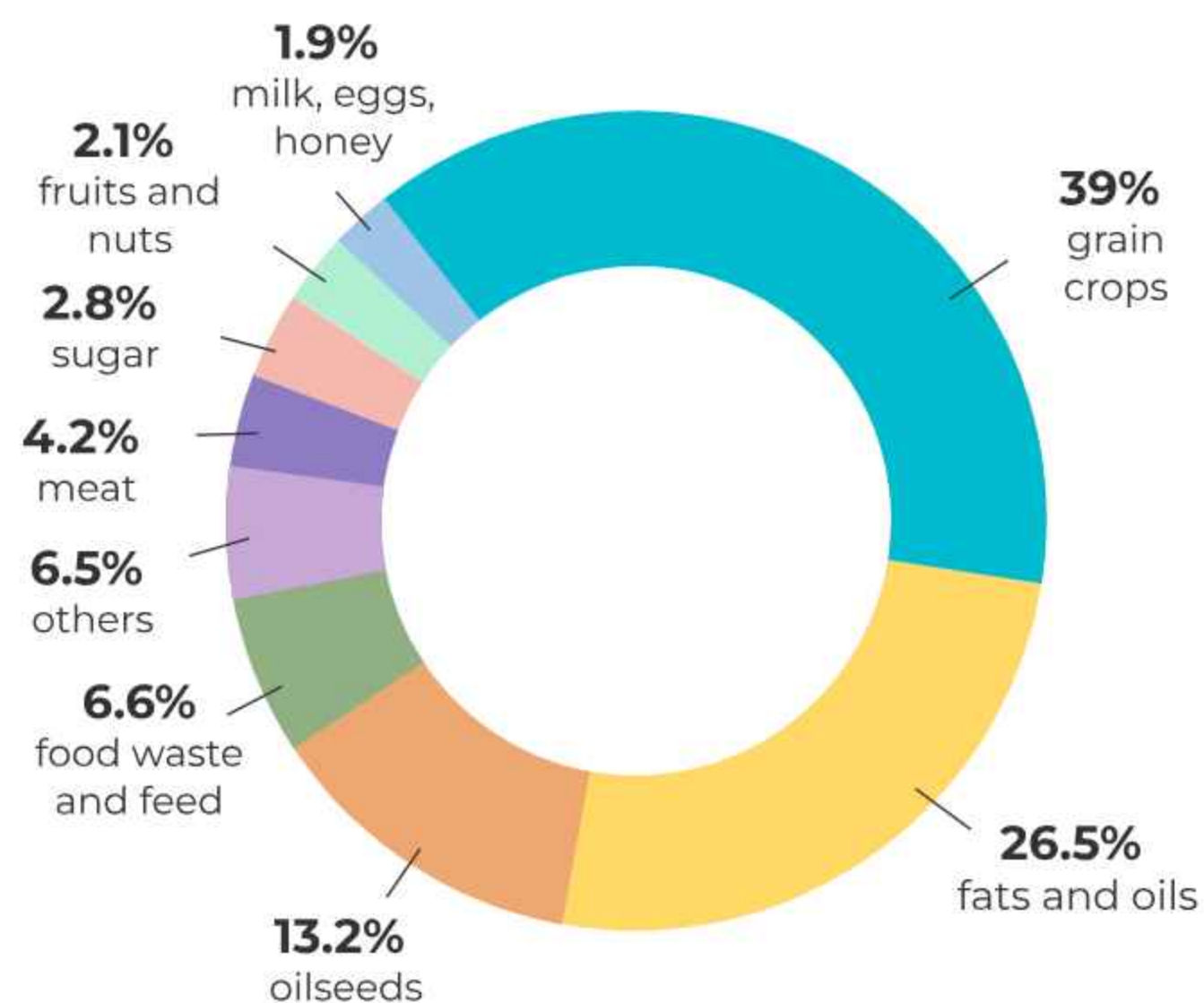
Ukraine's position among the world's grain exporting countries



6%

of world wheat exports are supplied by Ukraine

Structure of agricultural exports, 2023



Ukraine's position in global agricultural exports, 2023

Category	Position	%	USD bln	Category	Position	%	USD bln
Sunflower oil	1	28.5	5	Vegetable products	6	2.8	0.04
Oilcake	3	8.3	0.97	Barley	8	3.5	0.36
Maize or corn	4	9.4	4.9	Poultry	10	2.3	0.79
Rape seeds	4	7.7	1.16	Rapeseed oil	10	2.2	0.31
Soya beans	5	1.4	1.28	Flax seeds	10	1.1	0.01
Natural honey	5	5.7	0.12	Soybean oil	10	2.2	0.25
Sunflower seeds	5	5.3	0.27	Egg products	12	2.1	0.03
Wheat	6	5	2.94	Buckwheat, millet	12	1.9	0.02

AGRICULTURAL SECTOR OF UKRAINE

Agricultural products turnover

EXPORTED, 2023



16.1 mln t
of wheat to
65 countries

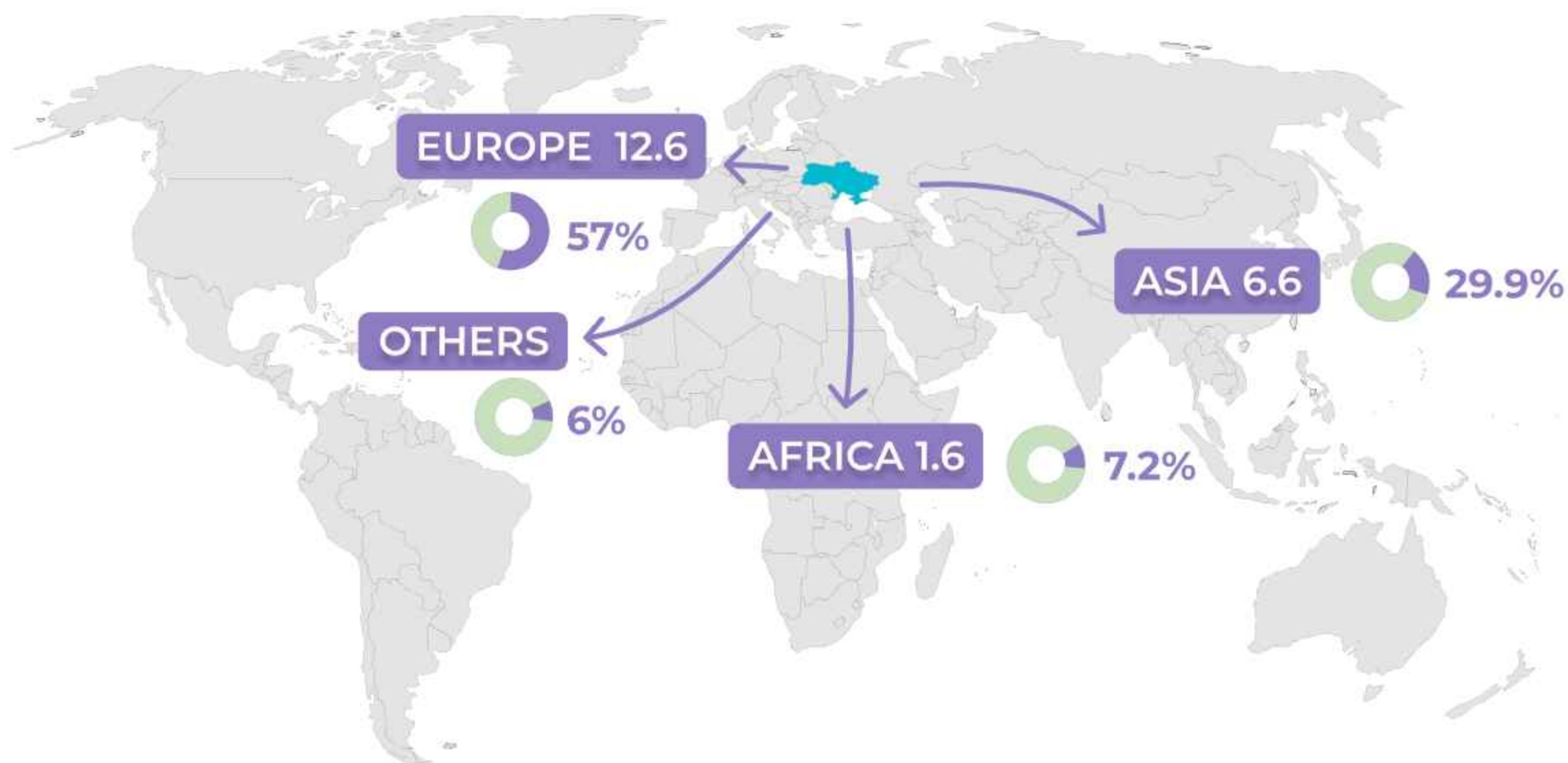


26.2 mln t
of corn to
80 countries



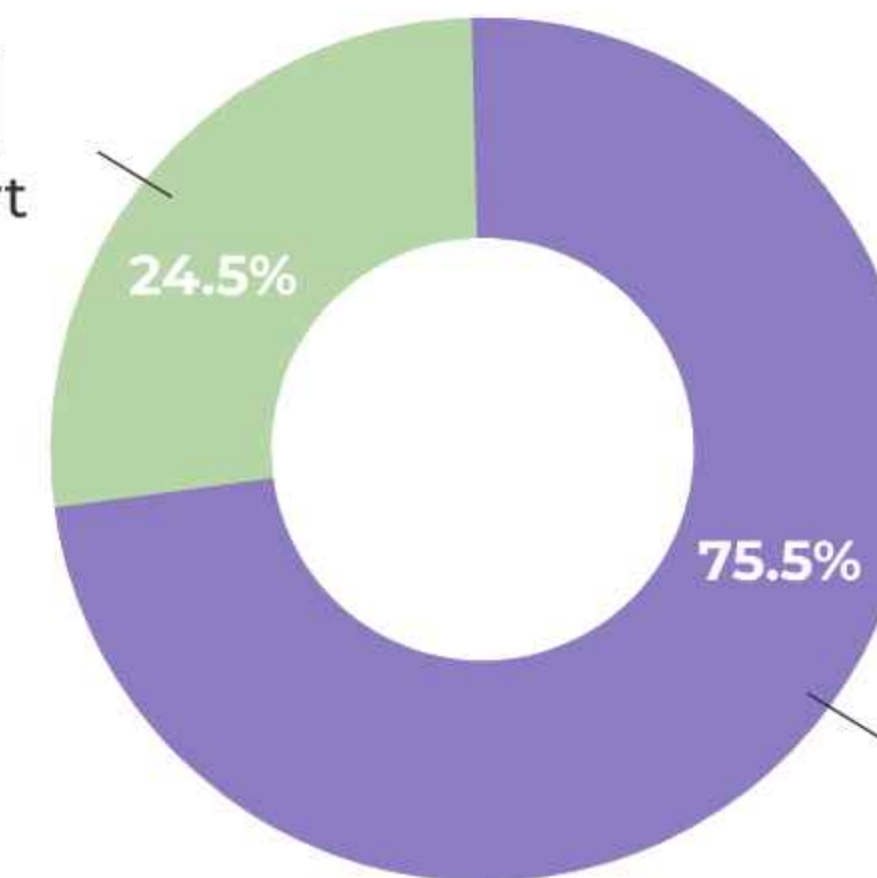
5.7 mln t
of sunflower oil to
130 countries

Main importers of Ukrainian agricultural products, USD bln, 2023



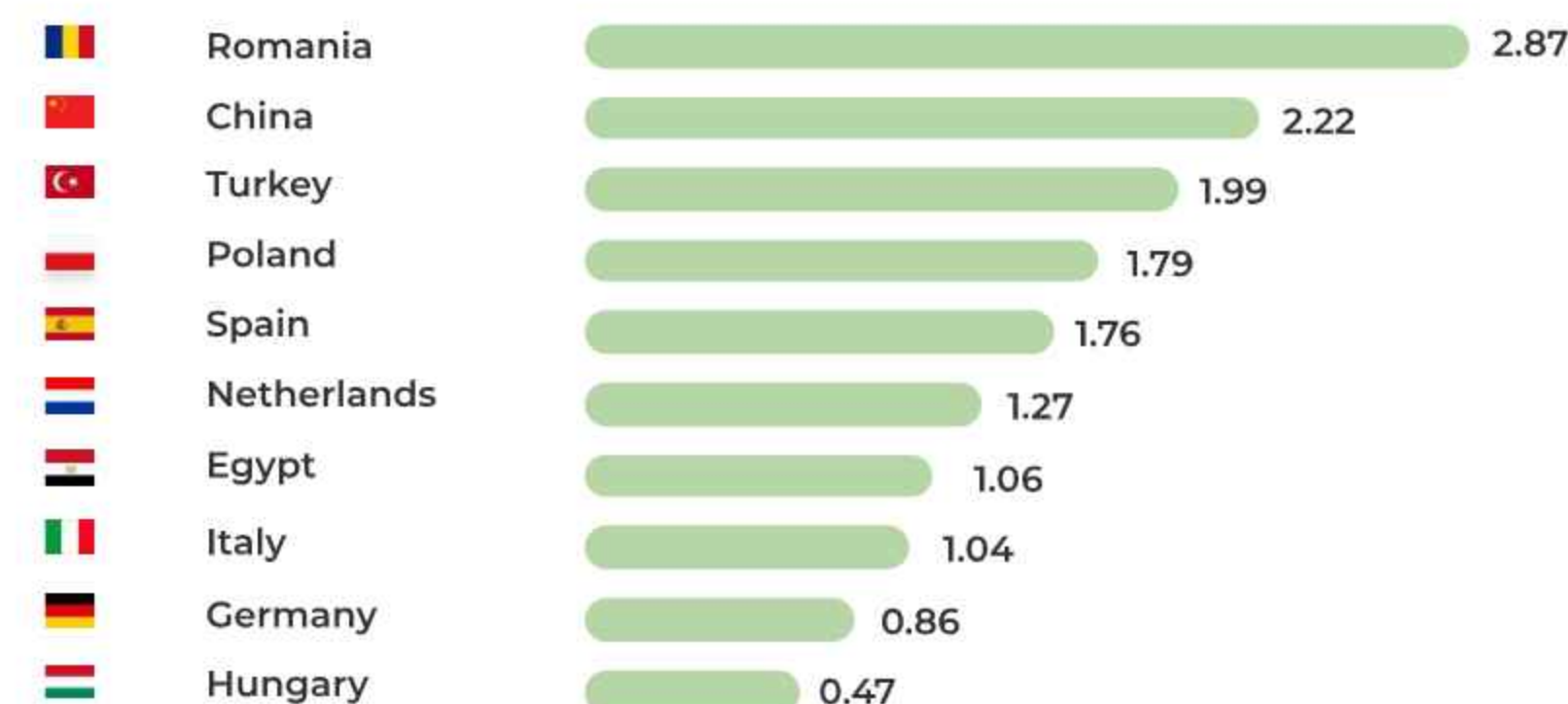
Turnover of agricultural products in Ukraine, USD bln, 2023

7.1
Import



22.1
Export

Countries importing Ukrainian agricultural products, USD bln, 2023



AGRICULTURAL SECTOR OF UKRAINE

Access to regional consumer markets

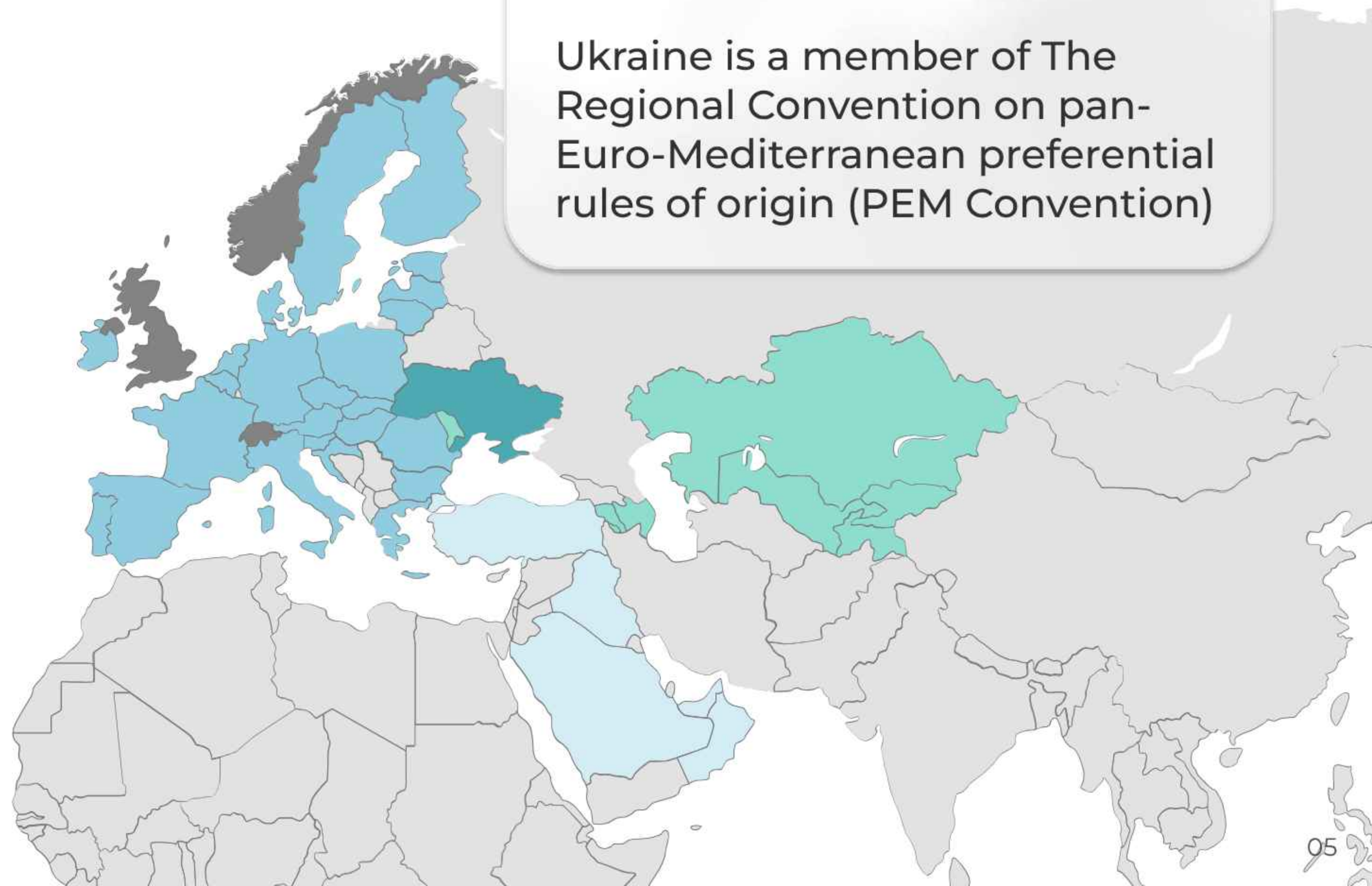
Nearly 1 bln consumer market can be reached within 2 500 miles

- ~450 mln **European Union**
- ~90 mln **CIS (selected)**
- ~500 mln **Non EU**
- ~40 mln **Ukraine**

About **6 mln** Ukrainian refugees were registered in Europe as of 1H 2024

Ukraine has 19 FTAs with 47 countries, including DCFTA with the EU

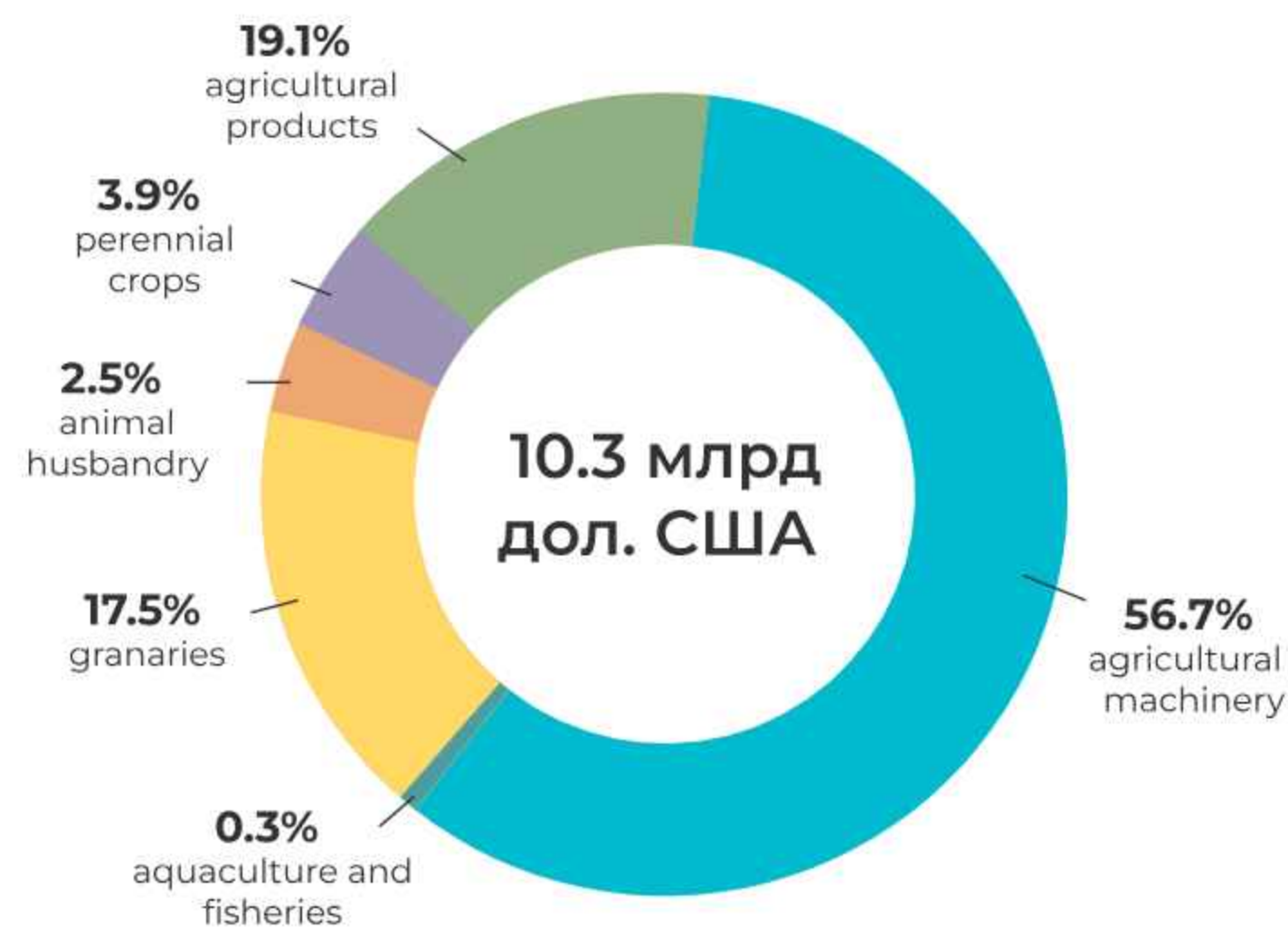
Ukraine is a member of The Regional Convention on pan-Euro-Mediterranean preferential rules of origin (PEM Convention)



AGRICULTURAL SECTOR OF UKRAINE

Losses due to full-scale invasion

Total agricultural losses by category, 2024



65%

of the total losses are in Zaporizhzhia, Kherson and Luhansk regions



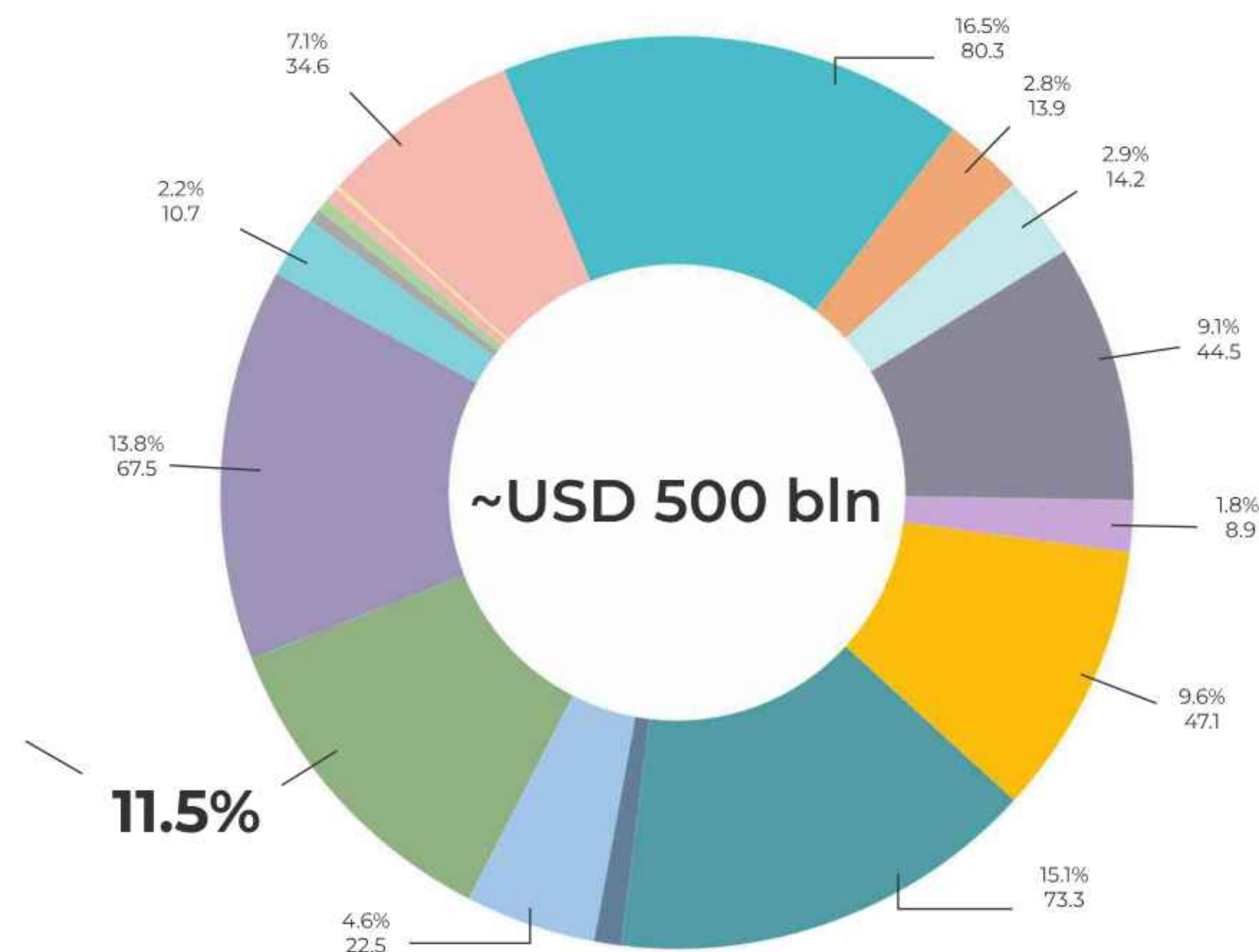
USD 80 bln — losses and damages of the Ukrainian agricultural sector as a result of a full-scale invasion as of 2024

Recovery and reconstruction needs, USD bln



USD 56 mln

in reconstruction and rehabilitation needs over the next 10 years



- Housing
- Education and science
- Health
- Social protection and livelihoods
- Finance
- Energy
- Transport
- IT
- Culture and tourism
- Agriculture**
- Industry and commerce
- Utilities
- Natural resource management
- Emergency response and explosive hazards management
- Public administration

AGRICULTURAL SECTOR OF UKRAINE

Food security



Russia's full-scale invasion has significant implications for **global food security**, as Ukraine is a major supplier of agricultural products, including grain, to the world market.



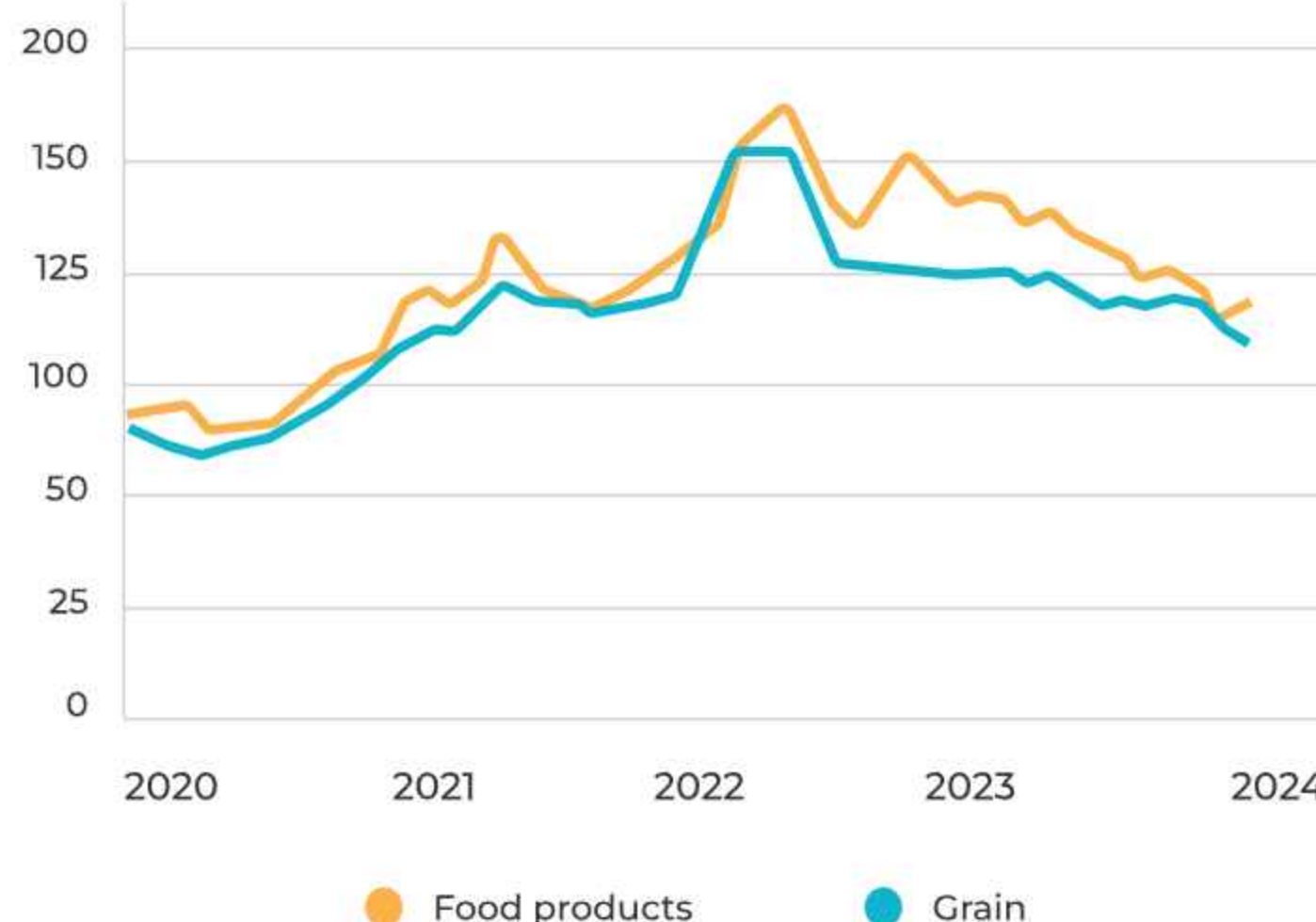
733 mln

people in the world
faced with hunger
in 2023

12-13%

percentage increase in global
food and grain prices at the end
of 2023 compared to the level of
December 2020

Commodity price indices 2020-2024



Black Sea Grain Initiative is an agreement signed on 22 July 2022 between **Turkey, Ukraine** and **russia** with the support of the **UN**, establishing sea corridors for the export of Ukrainian grain through three ports. **russia** withdrew from the agreement a year after it was signed

The **blockade of ports** on the Black Sea has led to significant difficulties in exporting grain to world markets, resulting in **lower revenues** and increased stocks of **unsold grain** in Ukraine

In more than
60% is 167

countries, food inflation is higher than
general inflation as of 2024 due to
global crises, including the full-scale
invasion of Ukraine

In 2024, the Government of Ukraine approved the **Food Security Strategy of Ukraine** until 2027

The strategy aims to stimulate the development of agricultural production, fill the food market and ensure the availability of food for all groups of the population



AGRICULTURAL SECTOR OF UKRAINE

Agricultural potential

THE SHARE OF
OF BLACK SOIL
IN UKRAINE



57%
34.2 mln ha of
Ukraine's territory

UKRAINE IS RANKED
BY THE AMOUNT OF
BLACK SOIL

6th position

in the world top

AGRICULTURAL
POTENTIAL OF
THE LAND



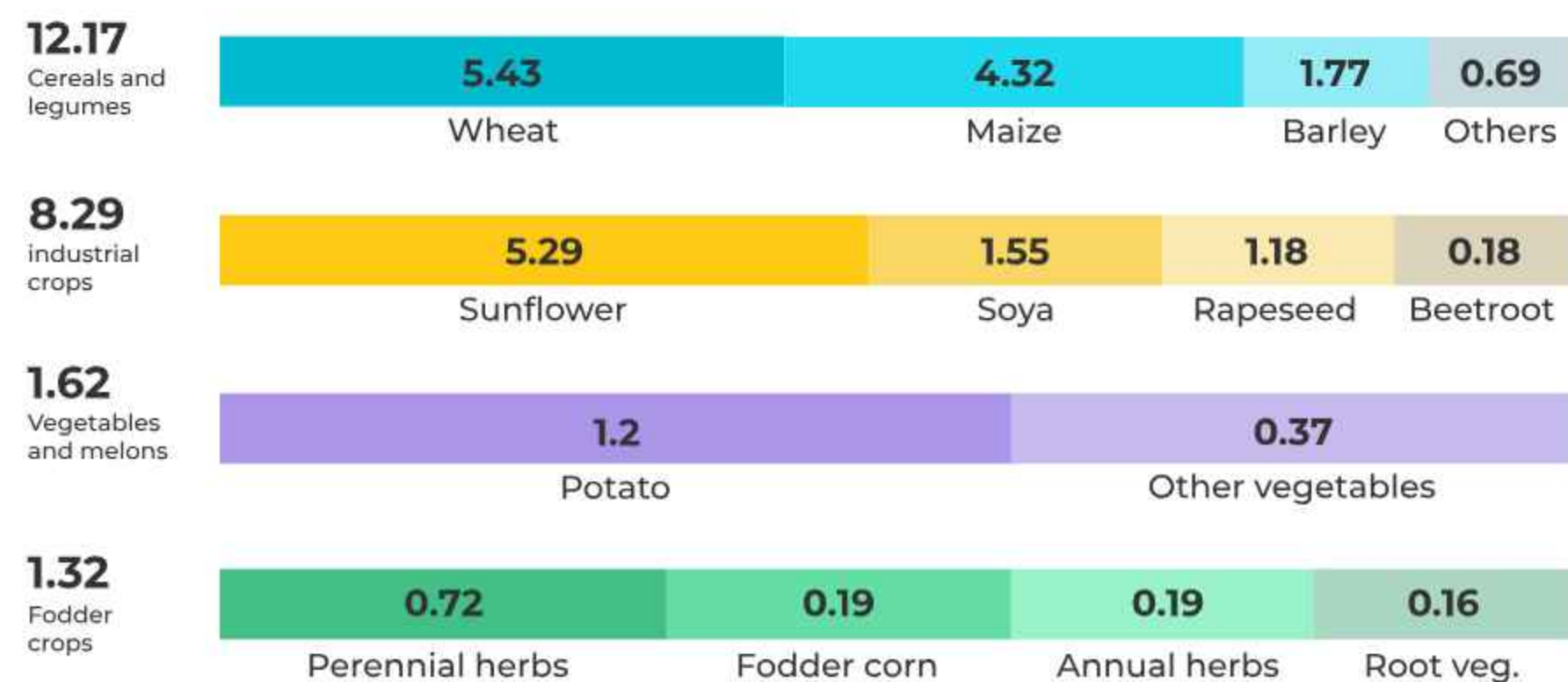
41.5 mln ha
of which **20.6 mln ha** of
agricultural land

SHARE OF
AGRICULTURAL
LAND

68.7%

of the total amount of
land in Ukraine

Sown areas of major crops, million ha, 2022



Soil suitability for organic farming



AGRICULTURAL SECTOR OF UKRAINE

Agricultural potential

FOOD
SUPPLY
POTENTIAL



0.6 bln
people Ukraine
can feed

HARVEST OF
GRAINS AND
OILSEEDS



over
80 mln t
in 2023

AGRI-
CULTURAL
EMPLOYEES



2.8 mln
people in 2023

AVERAGE
SALARY



USD 400
per month

5 380

Total number of graduates with a **bachelor's** degree in **Agricultural Sciences and Food Technologies 2022/2023**

1 050

Total number of graduates with a **master's** degree in **Agricultural Sciences and Food Technologies 2022/2023**



over
50 Total number
of agricultural
universities


- 1 National University of Life and Environmental Sciences of Ukraine
- 2 State Biotechnological University
- 3 Sumy National Agrarian University
- 4 Stepan Gzhytskyi National University of Veterinary Medicine and Biotechnology of Lviv
- 5 Bila Tserkva National Agrarian University
- 6 Dmytro Motornyi Tavria State Agrotechnological University
- 7 Mykolayiv National Agrarian University
- 8 Vinnytsia National Agrarian University
- 9 Lviv National University of Nature Management
- 10 Polissia National University



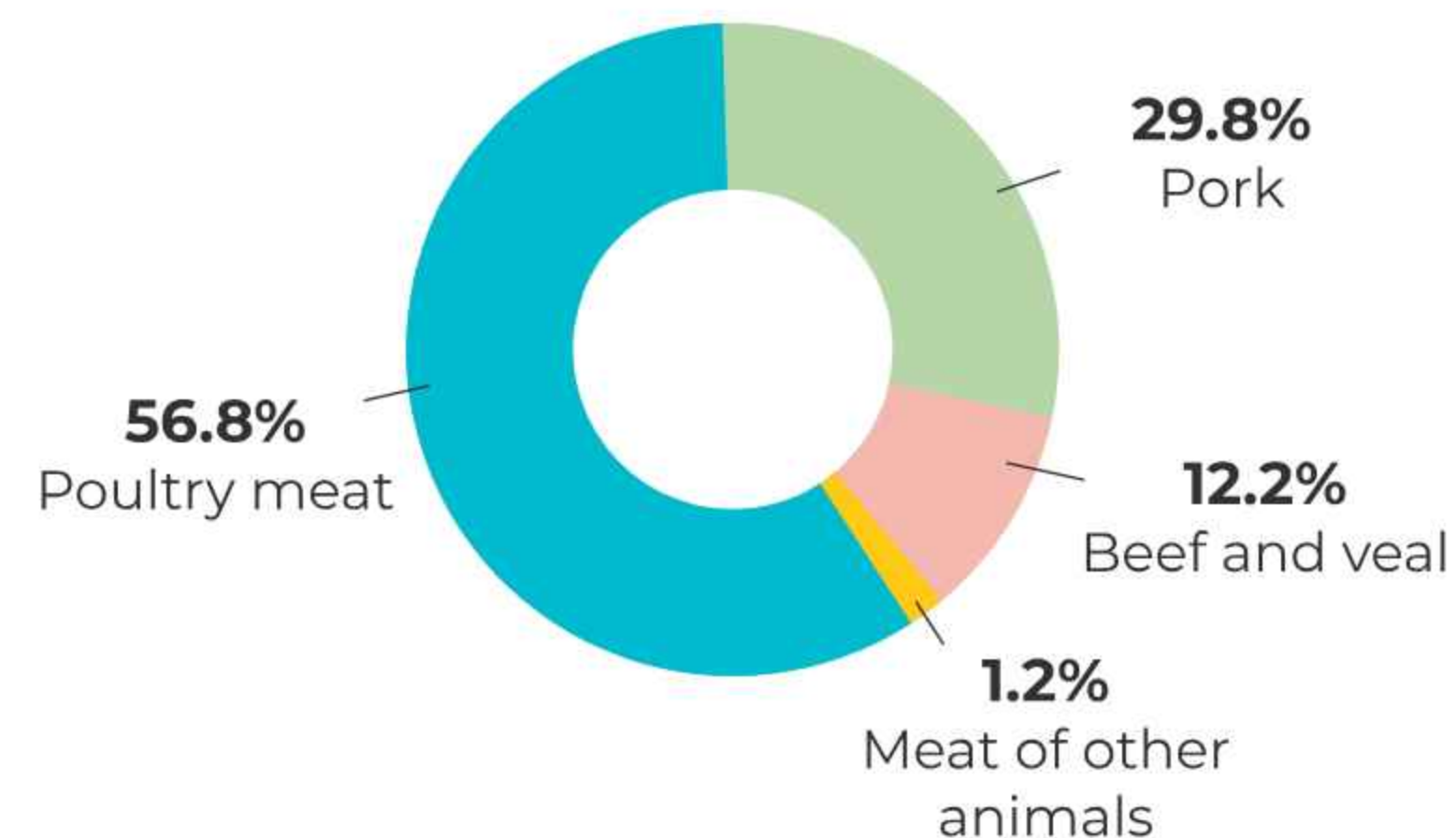
AGRICULTURAL SECTOR OF UKRAINE

Animal husbandry

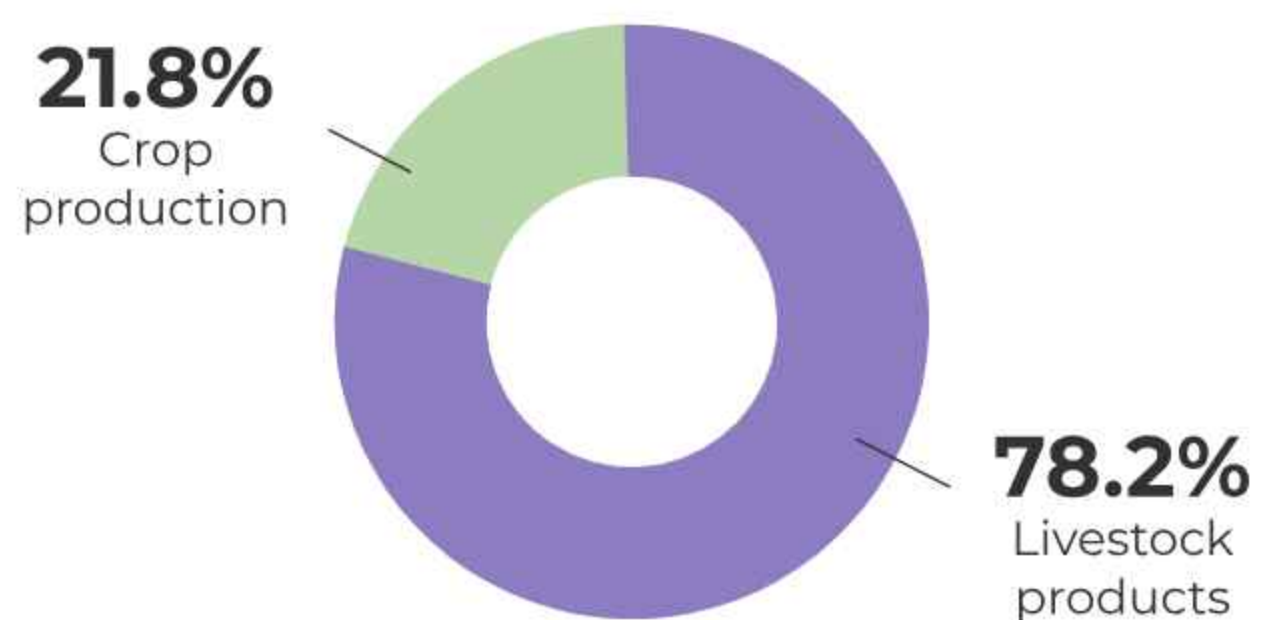
Amount of farm animals, mln. heads*

Cattle,		2.3
incl. cows		1.35
Pigs		4.94
Sheep and goats		0.94
Poultry		180.5

Meat production structure*



Output structure by product type*



Production of main types of livestock products*

Meat (in slaughter weight)	2207 thsd t
Milk	7768 thsd t
Eggs	11922 mln units
Wool	1237 t

AGRICULTURAL SECTOR OF UKRAINE

Agroprocessing



USD 8.4 bln

Export of processed agricultural products*



~300 thsd

agro-processing industry employees*



The Law on State Support of Investment Projects with Significant Investments in Ukraine classifies **agroprocessing** as a **priority industry** and state support is envisaged of 30% of CAPEX

Raw materials		Increase in product costs	Processed products	
Category	Cost, 1 t / USD thsd		Category	Cost, 1 t / USD thsd
Meat	2.2	45% 217% 40% 200% 160% 150%	Meat products	3.2
Milk, whey	1.7		Butter, cheeses	5.4
Vegetables, fruits, nuts	1.0		Fruit & Veg products	1.4
Grains	0.2		Flour	0.6
Oil plants	0.5		Oils	1.3
Sugar	0.8		Sugar products	2.0

Food processing industry's share in the agricultural sector



22,7%

in the structure of gross value added*

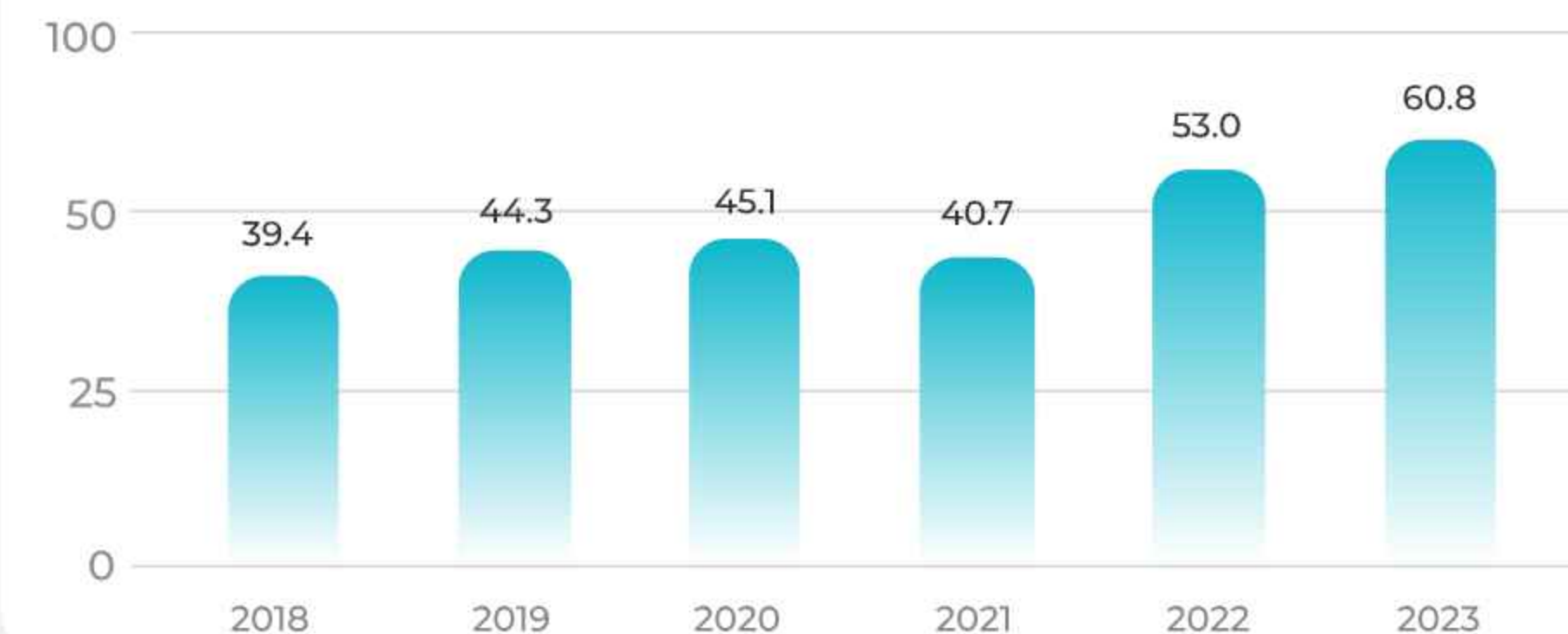


37,2%

in the structure of total exports*

Raw materials and **semi-finished products** accounted for **2/3** of Ukraine's total exports*

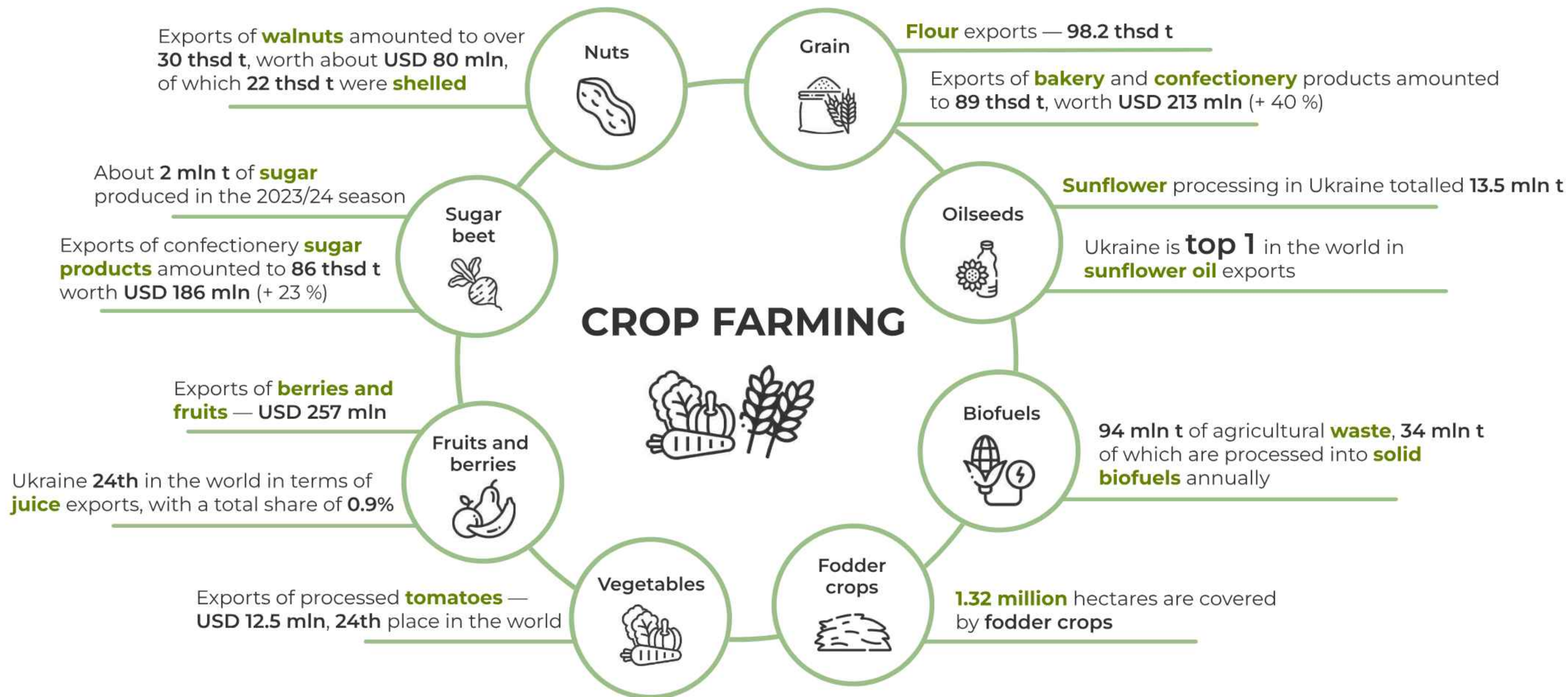
Food industry products and processing of agricultural raw materials, % in exports of agricultural products (1-24 UCG FEA)



AGRICULTURAL SECTOR OF UKRAINE

Exports of agroprocessed products: crop production

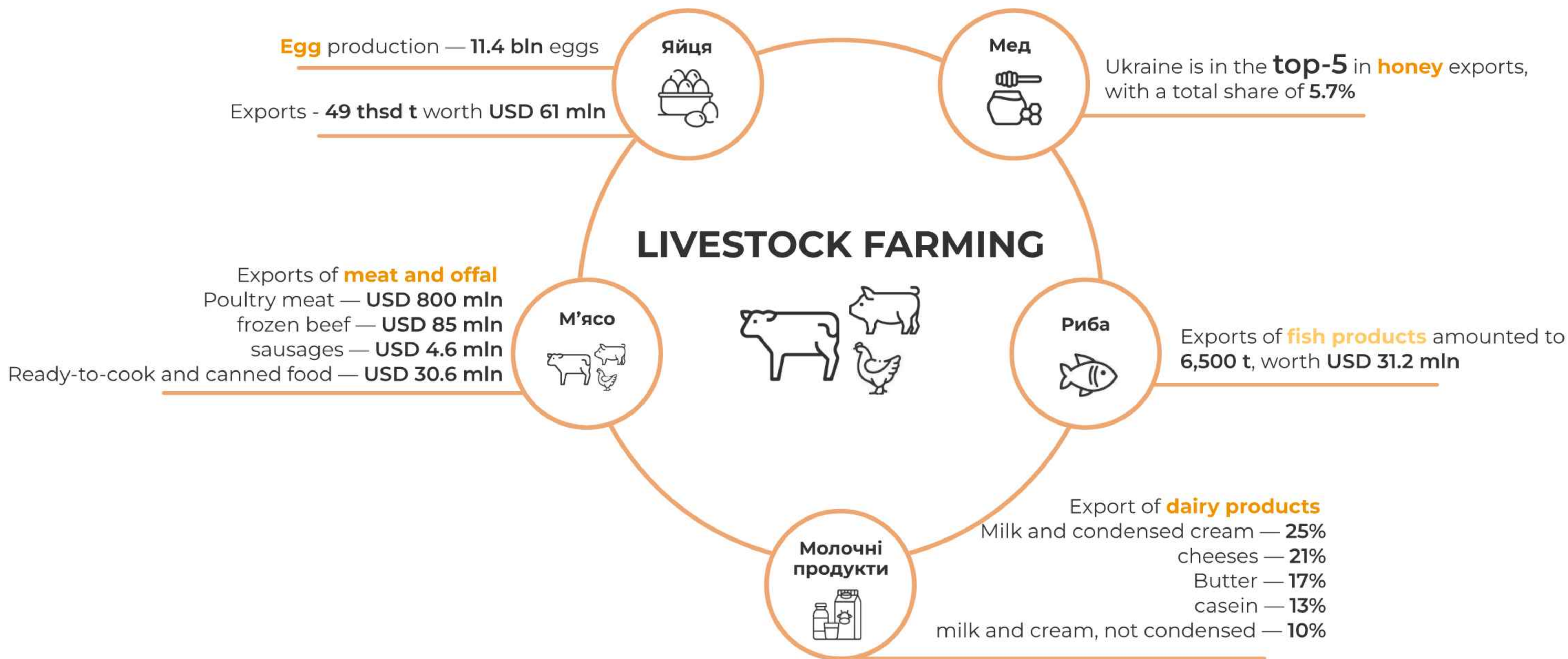
Processing of plant raw materials in Ukraine, 2023



AGRICULTURAL SECTOR OF UKRAINE

Exports of agro-processed products: livestock

Processing of animal raw materials in Ukraine, 2023



AGRICULTURAL SECTOR OF UKRAINE

Start-ups and innovations









USD 15.6 bln attracted to agricultural technology start-ups in the world in 2023, which is **5.5%** of global technology venture capital investment



AgriTech is one of the priority sectors of innovation in Ukraine according to the official state strategy of the **Global Innovation Vision of Ukraine 2030**

Innovative technologies of the Ukrainian agricultural sector

-  electronic field maps
-  heading indicators/ autopilots
-  GPS monitoring (trackers) and fuel control sensors
-  satellite maps
-  drones (sprayers, deminers, unmanned harvesters)
-  weather stations and soil moisture sensors
-  forecasting programs (pests, diseases), and farm management systems

+3% to GDP

Economic efficiency of the AgriTech sector
(up to 11.7% in 2022)

Top 1 or 40%

share of the Ukrainian market of spraying drones in Europe in 2012

Using Agrodrones in Ukraine 2021-2023

 **3.1 mln ha**

was processed using agrodrones in 2021-2023

-  reduced the amount of **fuel** used by **17.05 mln l**
-  reduced **carbon** emissions by **43.4 thsd t**
-  increased the **harvest** by **486.7 thsd t**
-  reduced water consumption by **620 thsd t**

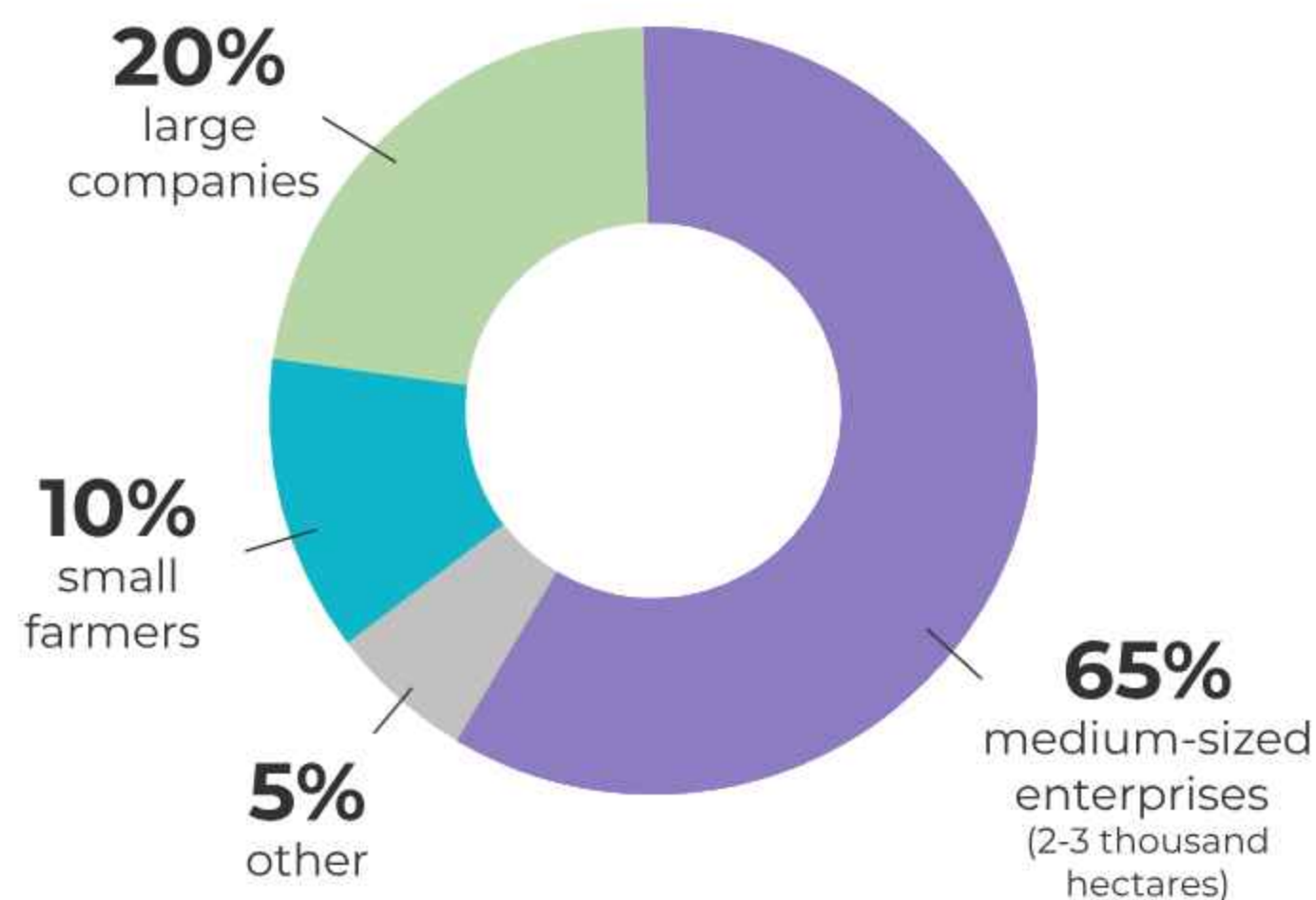
AGRICULTURAL SECTOR OF UKRAINE

Land management structure

In 2021, Ukraine launched an agricultural **land market** for the free sale and purchase of land plots

- for individuals who are **citizens of Ukraine** in the amount of no more than 100 ha per person
- since 2024, as part of the second stage of the land reform, also for **legal entities**, and the permitted area has increased to **10 thsd ha** of land (legal entities account for 20% of all land market participants*)

Distribution structure of the state farm land in Ukraine by type of farm



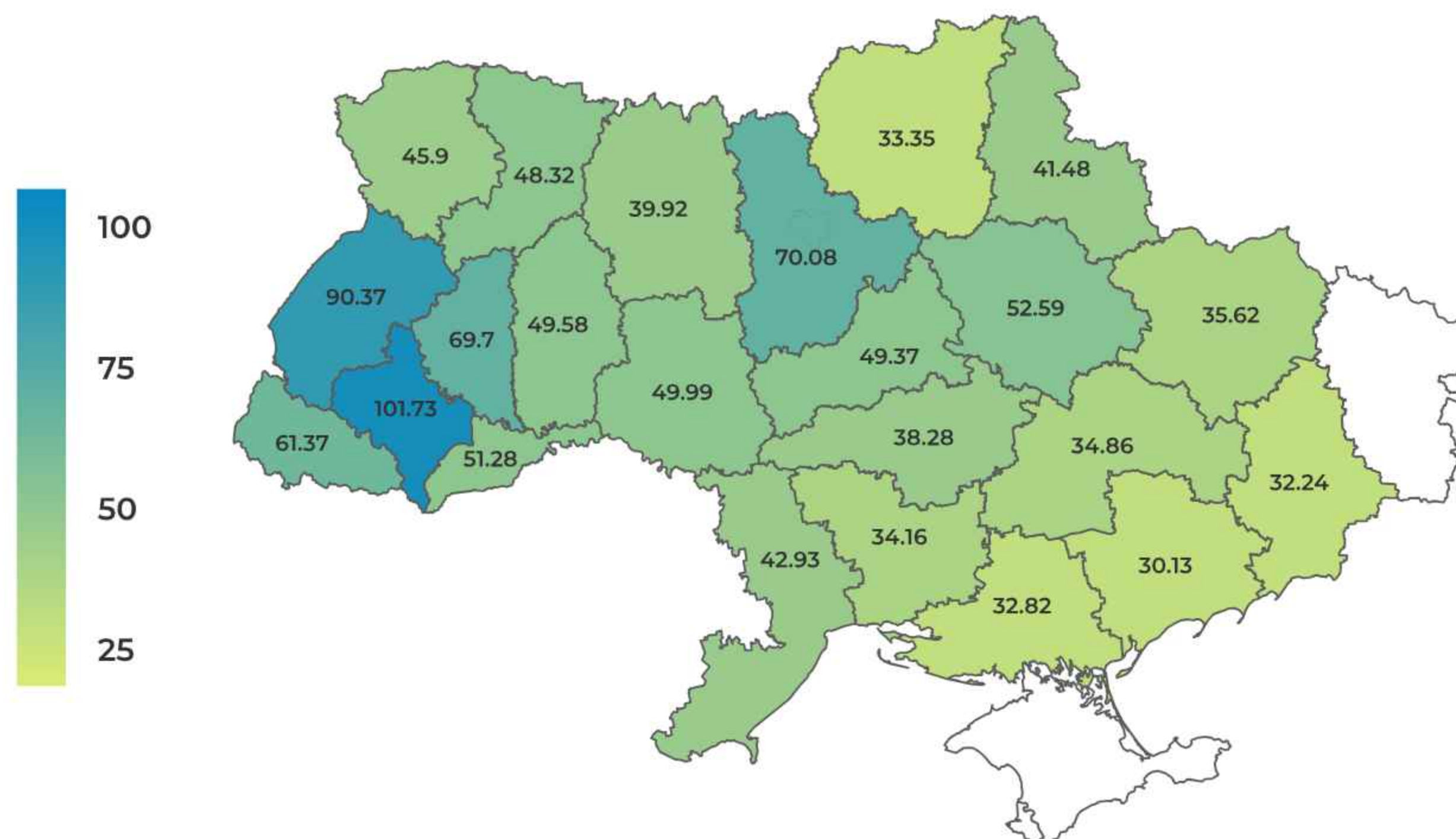
Agricultural land market statistics

227,5
thsd transactions
land trade*

510,8
thsd ha
area*

1.24%
total amount of agricultural
land in Ukraine*.

Cost of agricultural land, thsd UAH, 2024



AGRICULTURAL SECTOR OF UKRAINE

Investment climate*

Top-5 Ukrainian companies in the agricultural sector*

KERNEL

Kernel
Oilseed crop cultivation and processing
Number of employees: over 10 thsd

МХП

МХП
Chicken meat production, grain cultivation
Number of employees: over 30 thsd

UkrLandFarming
Public Limited Company

UkrLandFarming
Grain and oilseed cultivation, livestock farming
Number of employees: over 10 thsd

ЕРІДОН
СПІВРАЦЯ, ЯКА ГАРАНТУЄ УСПІХ

Eridon
Distribution of plant protection products, seeds, fertilizers
Number of employees: over 500

АСТАРТА-КИЇВ
агропромхолдинг

Astarta
Oilseeds processing
Number of employees: over 7 thsd

Top-5 Ukrainian food companies*

ROSHEN
SINCE 1996

Roshen
Confectionery production
Number of employees: over 10 thsd

ОБОЛОНЬ

Obolon
Beer and non-alcoholic beverages production
Number of employees: over 2 thsd

МОЛОЧНИЙ АЛЬЯНС
ІНТЕГРАЦІЯ КИЇВЩИНИ

Milk Alliance
Dairy products production
Number of employees: over 2 thsd

INTERSTARCH

Interstarch
Production of processed products from corn and wheat
Number of employees: over 100

ЩЕДРО

Shedro
Oil, fats, sauces production, etc.
Number of employees: over 1 thsd

INVESTMENT INCENTIVES

State support

Forms of state support:

- special budgetary subsidies
- partial reimbursement of borrowed funds

State program 'Affordable Loans 5-7-9'

- simplified conditions for obtaining loans from banks for small and medium-sized businesses
- Loans of up to **UAH 90 mln** at an interest rate of **5-9%** per annum

Types of state support by direction



special budget subsidy for existing **bee** colonies



partial reimbursement of the cost of breeding **animals** purchased for further reproduction



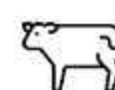
partial reimbursement of the cost of construction and/or reconstruction of **livestock farms and complexes**, fish farms, milking parlours, and agricultural processing enterprises



partial reimbursement of the cost of construction and/or reconstruction of **grain storage and processing** facilities



special budgetary subsidy for keeping **goats** and **sheep**



special budget subsidy for **cow** growth



repayment of **budgetary payables** under the programme 'State support for the development of livestock and agricultural processing'



25% compensation for agrarians for **agricultural machinery** and **equipment** of Ukrainian production, the share of localisation of which exceeds 60%

INVESTMENT INCENTIVES



Capital investments

REQUIREMENTS FOR INVESTMENT PROJECT



12+ EUR mln
of investments



10+
of new jobs



up to 5 years***
of project
implementation



**construction,
modernization**
technical and/or
technological
re-equipment

FORMS OF SUPPORT



CIT exemption*
(for any 5 subsequent
years within the validity
period of the SIA)



Exemption from VAT**
for importing new
equipment and
components to it



**Exemption from import
duties**** for new equipment
and components to it



Construction/compensation
for built engineering and
transport
infrastructure



Lease of **state or
communal land plots**
without land auctions



**Compensation for
costs of connection** to
engineering and transport
infrastructure



**Land tax exemption/
reduced land tax rates**



Exemption from
compensation for
**losses of forestry
production**

AMOUNT OF SUPPORT

up to **30%**
CAPEX



**For more detailed information,
we recommend paying
attention to the following
regulatory acts**



* Not applicable to projects in the sphere of extraction for the purpose of further processing and/or enrichment of natural resources.
** The list and quantity of equipment are approved by the Cabinet of Ministers of Ukraine for each project.
*** No earlier than 18 months before a date of submission of the application to the Authorised Body, the Applicant may contribute Significant Investments in objects of investments(CAPEX) in an amount not exceeding 30% of the total amount of Significant Investments required for the implementation of the Investment Project with Significant Investments.

INVESTMENT INCENTIVES

Industrial parks

The implementation of investment projects on the territory of industrial parks does not exclude the opportunity to receive additional incentives, in particular, provided for by the Law of Ukraine "On State Support for Investment Projects with Significant Investments" or the legal regime of Diia.City.



non-refundable financing for arranging an industrial park and/or construction of related infrastructure facilities* **up to UAH 150 million****



exemption from compensation for losses of **forestry production*****



full or partial compensation of interest rates on loans for arranging an industrial park, carrying out economic activity****



compensation for connecting 1 to engineering and transport infrastructure **up to UAH 150 million** (during martial law - only to power grids 2)



exemption from **real estate tax** for industrial buildings



land tax exemption / **reduced** land tax rates



CIT exemption for 10 years (only if reinvestment)



exemption from **import duties** for new equipment



VAT exemption for importing new equipment



more than **100** industrial parks*

2500+ ha of zoned industrial land available for manufacturing projects



Guide: State support for Industrial Parks

* - Provided to managing companies and initiators of creation of industrial parks.

** - According to the Procedure for the provision of funds for the arrangement of industrial parks, approved by the Resolution of the Cabinet of Ministers of Ukraine dated June 4, 2024 No. 644.

*** - Regarding the use of land plots with a change in purpose for the establishment of industrial parks according to Article 208 of the Land Code.

**** - During the period of martial law and for six months after it ends or canceled, the Procedure for providing full or partial compensation of interest rates on loans for the establishment and/or implementation of economic activities within industrial parks has been suspended.

PROJECTS SEEKING INVESTMENTS

Development of agro food tech cluster

KEY PROJECT HIGHLIGHTS

The establishment of Ukraine's unique center of breakthrough technologies synergy in the field of the agro-food industry.

FORMAT

Industrial technopark equipped with production and technological equipment, near

- Lviv (Hrushiv) – production and logistic
- Ivano-Frankivsk – corn cluster
- Vinnytsia – innovation and production

FOR MORE INFORMATION
CONTACT UKRAINEINVEST



150 TOTAL INVESTMENT
AMOUNT, USD MLN

7 years PAYBACK PERIOD

4 years PROJECT
IMPLEMENTATION
PERIOD

Type of required investment: **loan/equity/mixed**

PROJECTS SEEKING INVESTMENTS

Construction of feed soy protein concentrate plant

KEY PROJECT HIGHLIGHTS

- Currently, the plant produces high-protein toasted meal, soybean oil and pelletised hulls.
- The project is aimed at expanding the range of higher value-added products by further processing soybean meal into feed grade SPC (soy protein concentrate).
- The technology is innovative for Ukraine. Soy protein concentrate is produced by water-alcohol extraction from non-granulated soybean meal.
- SPC is a soy protein concentrate, i.e. a purified protein product with a protein content of 60-70% for human consumption and feed.

FINANCIAL DETAILS

- IRR – 35%
- NPV – USD 51 mln

FOR MORE INFORMATION
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62 AMOUNT OF OWN INVESTMENT IN THE PROJECT, USD MLN

9 years PAYBACK PERIOD

2 years PROJECT IMPLEMENTATION PERIOD (time to launch of operations)

Type of required investment: **loan/equity/mixed**

PROJECTS SEEKING INVESTMENTS

Tomato processing recovery

KEY PROJECT HIGHLIGHTS

Restoration of the Ukrainian tomato industry after the de-occupation of the territories through the introduction of industrial production of high quality tomato paste and the supply of high quality raw materials to the food industry and processing industries of Ukraine.

FINANCIAL DETAILS

● RR – 47.2% ● NPV – USD 1.4 mln ● EBITDA – USD 11.6 mln

FOR MORE INFORMATION
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26.7 AMOUNT OF OWN INVESTMENT IN THE PROJECT, USD MLN

3 years PAYBACK PERIOD

1 year PROJECT IMPLEMENTATION PERIOD (time to launch of operations)

Type of required investment: **loan**

PROJECTS SEEKING INVESTMENTS

Development of a honey production facility

KEY PROJECT HIGHLIGHTS

The project provides for development of a facility for production of honey and other bee products.

The investment project aims to establish an innovative enterprise focused on high value-added and deep processing of honey. The potential production includes soufflé honey, cream honey, natural honey, tea concentrates, beverages, jams and other food and pharmaceutical products.

Objectives:

- Implementation of modern technologies and innovations in honey production,
- Introduction of new types of honey products into domestic retail chains,
- Processing of honey and its export to the EU and the USA (HACCP certificate for production is available).

FINANCIAL DETAILS

- projected gross revenue per year – USD 19.4 mln
- EBITDA – USD 4.8 mln

PROVIDED BY DNIPROPETROVSK INVESTMENT AGENCY

For more information about other projects by the Ministry of Agrarian Policy and Food of Ukraine: <https://minagro.gov.ua/investoram/prezentatsiia-stratehiia-rozvytku-ahropromyslovoho-kompleksu>

FOR MORE INFORMATION
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5.8

TOTAL INVESTMENT
AMOUNT, USD MLN

6 years

PAYBACK PERIOD

24 months

PROJECT
IMPLEMENTATION PERIOD
(time to launch of operations)

Type of required investment: loan

PROJECTS AFTER 24.02.22



USD 1+ BLN
NEW INVESTMENTS
SUPPORTED BY
UKRAINEINVEST

* - the company continues to cooperate with russia and pay taxes to the terrorist country

INVESTMENT INSURANCE



International Agency



A formalized agreement on the implementation of the investment insurance mechanism for foreign investments: **2022**
 Annual rate: **2-3%**
 Insurance period: **10 years**
 Coverage of the amount of losses: **up to 90%**
Sure Trust Fund: USD 110 mln, goal - USD 330 mln

Ukrainian agencies



Law No. 9015 "On Amendments to the Law of Ukraine "On financial mechanisms for stimulating export activity" regarding insurance of investments in Ukraine against military risks": **2023**
 Annual rate: **0.49% - 8.05%**
 Insurance amount: **UAH 200 mln**
 Insured for 5 months in 2024: **UAH 2.93 bln**



Property insurance against war risks: **2024**
 Implemented cases: **Grain elevators**

1-3%

acceptable level of insurance rates

82%

businesses are ready to insure during of war

Government agencies



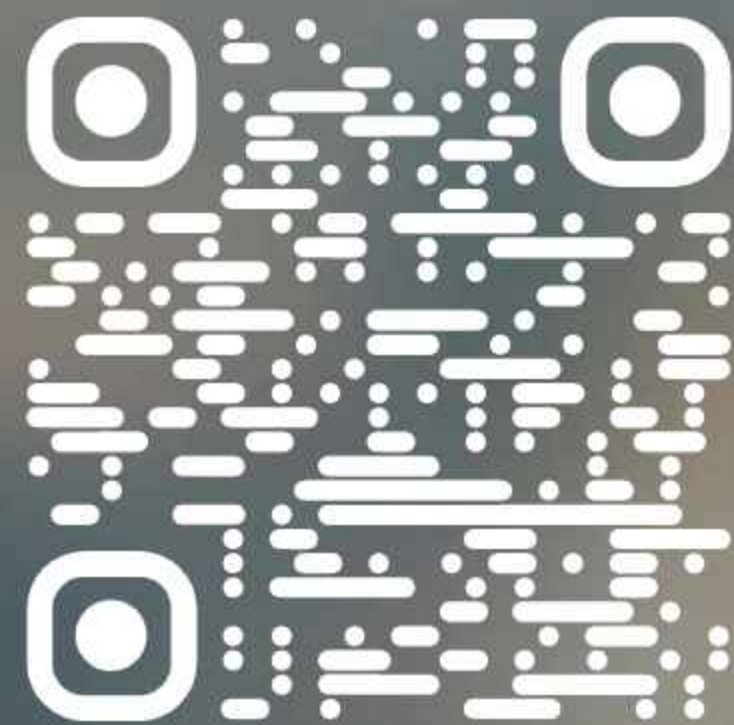
Ship insurance in the Black Sea: **2023**
 Containers with grain, iron ore, and steel, electrical equipment, fodder
 Annual rate: **0.75%**
 Coverage amount: **USD 50 mln**



Memorandum on coverage of American, international and Ukrainian investments in Ukraine: **2023**
 Coverage of the amount of losses: **up to 85%**
 Insurance for SMEs: **USD 50 mln**
 Insurance of the agricultural sector, manufacture: **USD 300 mln**



22 export-import agencies: Germany, WB, USA, Japan, Canada, Italy, Poland, Norway, Slovakia, France, Bulgaria, Estonia, Latvia, Lithuania, Czech Republic, Austria, UAE, Portugal, Spain, Sweden, Finland, Denmark
 Volume of the collected fund: **EUR 1 bln**



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