

CABINET OF MINISTERS OF UKRAINE

REGULATION No.868

dated 2 June 2000

Kyiv

On Certain Issues of State Regulation of Sugar Production and Sale

In implementation of the Law of Ukraine "On State Regulation of Sugar Production and Sale", the Cabinet of Ministers of Ukraine hereby **RESOLVES**:

1. To set a maximum amount of a quota for sugar supplied for the domestic market from 1 September 2000 until 1 September 2001 at 1600 thousand tons.
2. To approve a minimum price for sugar beets that will be supplied, beginning on 1 September 2000, for sugar production within the quotas of sugar supplied for the domestic market and under international treaties, and the minimum price for sugar under the quotas of sugar supplied for the domestic market beginning on the date specified above, pursuant to the Attachment.
3. To order that the Ministry of Agrarian Policy and the Ministry of Economy shall discharge powers concerned with the implementation of measures dealing with regulation of sugar production and sale.
4. To approve as attached:

The Regulation on Procedures for the Formation of Quotas of Sugar supplied for the Domestic Market and under International Agreements, and Determination and Allocation of Amounts of Sugar Beet Growing and Sugar Production within the Limits of such Quotas;

Procedures for the Determination of Minimum Prices for Sugar Beets and Sugar.

5. To prescribe that the Ministry of Agrarian Policy, the Ministry of Economy and the Ministry of Finances, subject to confirmation by the National Bank:

develop and provide draft Procedures of Funding of Sugar Beet and Sugar Producers to the Cabinet of Ministers of Ukraine within a two-month period;

resolve matters of opening for sugar refinery plants and beet growing farms of special accounts, subject to a special regime governing the use of funds accumulated in such accounts, in order to ensure payment of current accounts relating to supplies and processing of raw sugar materials.

6. To prescribe that, upon submission by the Ministry of Agrarian Policy, the State Statistical Committee develop and approve, by 1 September 2000, a form of state

statistical reporting on the status on sugar sales by business entities and entrepreneurs irrespective of their forms of ownership.

7. To repeal Regulation # 490 of the Cabinet of Ministers of Ukraine, dated 24 May 1997, "On Regulation of the Sugar Market " (Ofitsiyniy Visnyk Ukrayini, 1997, issue 21, page 58), and Regulation # 814, dated 4 August 1997, "On Amendments to Regulation # 490 of the Cabinet of Ministers of Ukraine, dated 24 May 1997" (Ofitsiyniy Visnyk Ukrayini, 1997, issue 32, page 2).

8. To order that the Ministry of Agrarian Policy, the Ministry of Economy, the Council of Ministers of the Autonomous Crimean Republic, oblast, Kyiv and Sevastopol City State Administrations control and supervise the implementation of conditions relating to sugar production and sale as are specified in the Law of Ukraine "On State Regulation of Sugar Production and Sale".

9. To order that Mr. M. V. Hladiy, Vice Prime Minister of Ukraine, be charged with control over implementation of this Regulation.

Prime Minister of Ukraine

V. YUSHCHENKO

Ref. 22

Attachment to Regulation # 868
of the Cabinet of Ministers of Ukraine
dated 2 June 2000

MINIMUM PRICE
for Sugar Beets supplied for Sugar Production within the Limits of Sugar
supplied for the Domestic Market and under International Agreements,
and the Minimum Price for Sugar within the Quota of Sugar supplied for
the Domestic Market

Product Code under HS	Description of Product under HS	Normative and Technical Documentation	Minimum Price per 1 ton (together with Value Added Tax), in Ukrainian hryvnias
12.12 91	Sugar beets	GOST 17421-82	139
17.01 12	Sugar from sugar beets	DSTU –2316-93 DSTU –2213-94	2000

**Government Secretary
of the Cabinet of Ministers of Ukraine**

V. LYSYTSKIY

APPROVED
by Regulation # 868
of the Cabinet of Ministers of Ukraine,
dated 2 June 2000

REGULATION
on Procedures for the Formation of Quotas of Sugar
supplied for the Domestic Market and under International Agreements,
and Determination and Allocation of
Amounts of Sugar Beet Growing and Sugar Production
within the Limits of such Quotas

1. This Regulation shall set forth procedures governing formation of quotas of sugar supplied for the domestic market (Quota "A"), quotas of sugar supplied under international agreements (Quota "B"), and amounts of sugar that is produced in a surplus above Quotas "A" and "B" and is designated for sale by its owners exclusively outside the country (Quota "C"), determination and allocation of amounts of sugar beet growing for sugar production within the limits of Quotas "A" and "B", and for sugar production within the limits of these Quotas.

2. In the Regulation, the terms "Quota "A", "Quota "B" and "Quota "C" shall have the meanings attributed thereto in the Law of Ukraine "On State Regulation of Sugar Production and Sale".

3. The following indicators shall be taken into account and applied to the formation of Quota "A":

scientifically justified norms of sugar consumption;

estimated remaining amounts of sugar as at 1 September of the current year;

amounts of sugar that can be sold during one year, subject to the taking into account of demand on the domestic market;

retail price for sugar;

amounts of sugar production on average for the past 5 years;

amounts of imports of sugar and sugar-containing (sacchariferous) products, artificial sweeteners and sweeteners;

level of demand for sugar.

Information on such indicators shall be provided by the Ministry of Health Protection, the State Statistical Committee, the State Customs Service, within the limits of their authority, to the Ministry of Economy and the Ministry of Agrarian Policy.

4. Quota "B" shall be formed pursuant to obligations of the State regarding export supplies under international agreements.

5. The Ministry of Economy and the Ministry of Agrarian Policy shall provide the Cabinet of Ministers of Ukraine with proposals regarding determinations of maximum amounts of Quotas "A" and "B", which are subject to approval for the next year by 1 December of the current year.

6. Amounts of sugar sales under Quota "C" shall be determined by owners of sugar on their own, taking into account the resources necessary for the fulfillment of obligations under Quotas "A" and "B".

7. Beet growing farms shall provide state statistical authorities with information on amounts of sugar beet growing as set forth in agreements entered into with sugar refinery plants as at 1 June of the current year.

8. On a monthly basis, beginning as of 1 September 2000, sugar refinery plants shall, for the entire period of sugar beet processing, provide state statistical authorities with information on amounts of sugar production (Quotas "A", "B" and "C") for the generalization thereof by the State Statistical Committee and the Ministry of Agrarian Policy.

9. Amounts of sugar beet growing for production of sugar within the limits of Quotas "A" and "B" shall be determined by the Ministry of Agrarian Policy on an annual basis.

10. Based on the maximum amounts of Quotas "A" and "B" as prescribed by the Cabinet of Ministers of Ukraine, the Ministry of Agrarian Policy shall, not later than 1 January of the next year, allocate amounts of sugar production between sugar refinery plants, on a competitive basis, pursuant to filed requests, and subject to the taking into account of proposals by oblast sugar industry associations confirmed by Oblast State Administrations.

Requests shall be reviewed subject to taking into account the following indicators:

amount of the stock of raw sugar materials (at least for 45 days and nights);

costs and expenses of sugar beet processing (not higher than the amount of estimated costs and expenses as prescribed for the set minimum price for sugar);

amounts of sugar beet growing per 1 hectare, and amounts of sugar produced therefrom;

amounts of sugar production on average for the past 5 years;

degree of extraction of sugar from sugar beets;

capacity of a sugar refinery plant;

production of sugar pursuant to the allocated amounts within the limit of Quota "A" for the previous year;

amounts of sugar exports for the previous year.

11. Based on amounts of sugar production set for sugar refinery plants, the oblast and rayon State Administrations shall allocate between beet growing farms the amounts of sugar beets of the basic saccharinity (16 per cent) to be grown for production of sugar within the limits of Quotas "A" and "B", subject to taking into account the following indicators:

average sugar beet crop capacity for the past 5 years;

average saccharinity for the past 5 years;

costs and expenses of sugar beet growing (not higher than the amount of estimated costs and expenses as prescribed for the set minimum price for sugar beets).

12. Beet growing farms, which have fulfilled their obligations under the allocated amounts of sugar beet growing for production of sugar within the limits of Quotas "A" and "B" and have a surplus of sugar beets, may be involved in fulfilling the obligations of other beet growing farms, subject to their agreement with sugar refinery plants and following the execution of applicable agreements.

APPROVED
by Resolution # 868
of the Cabinet of Ministers of Ukraine
dated 2 June 2000

PROCEDURES

for the Determination of Minimum Prices for Sugar Beets and Sugar

1. These Procedures shall set forth the basic requirements as to the determination and approval of minimum prices for sugar beets supplied for production of sugar within the limits of the quota for sugar supplied for the domestic market (Quota "A") and under international agreements (Quota "B"), and of the minimum price for sugar under Quota "A".

2. In these Procedures, the terms "minimum price for sugar beets", "minimum price for sugar", "Quota "A" and "Quota "B" shall have the meanings attributed thereto in the Law of Ukraine "On State Regulation of Sugar Production and Sale".

3. The minimum price for sugar beets shall be determined subject to the taking into account of normative costs and expenses of production of 1 ton of sugar beets in their recorded weight with the basic saccharinity of 16 per cent, Franco Field, and minimum profit and Value Added Tax.

Price recalculation coefficients pursuant to the Attachment shall be used for determining actual minimum prices for sugar beets in case of deviation of their saccharinity from the basic saccharinity level.

For purposes of determining the actual minimum prices for sugar beets, prices shall be rounded pursuant to Resolution # 1002 of the Cabinet of Ministers of Ukraine, dated 26 August 1996, "On the Recalculation of Goods (Work, Services) and the Mechanism for Controlling the Reevaluation of Prices and Formation of Value Indicators under Conditions of Currency Reform".

4. The minimum price for sugar shall be determined subject to taking into account the minimum price for sugar beets with the basic saccharinity of 16 per cent and normative costs and expenses of production of 1 ton of sugar, which complies with the requirements of the prescribed standards, Franco Station of Shipment, and subject to the taking into account of minimum profit and Value Added Tax.

5. The minimum price for sugar beets supplied for production of sugar under Quotas "A" and "B", the minimum price for sugar under Quota "A", and conditions of their use shall be specified annually by the Cabinet of Ministers of Ukraine, upon a proposal of the Ministry of Agrarian Policy, as confirmed with the Ministry of Economy, and shall be determined before 1 January of the next year, subject to monthly inflation indexes.

Subject to confirmation with the Ministry of Economy, the Ministry of Agrarian Policy shall, on an annual basis, before December 1, provide the Cabinet of Ministers of Ukraine with proposals, together with required justifications and calculation, regarding changes (revisions) of the specified minimum prices.

6. Approved minimum prices for sugar beets and sugar shall be binding on all business entities and entrepreneurs, irrespective of their forms of ownership, with respect to determinations of the price for sugar beets and sugar at the time of execution of sale-purchase agreements.

Attachment to the Procedures for the
Determination of Minimum Prices for
Sugar Beets and Sugar

COEFFICIENTS
for Recalculation of the Price for 1 ton of Sugar Beets
depending on the Level of their Saccharinity

Saccharinity	Coefficient of Recalculation	Saccharinity	Coefficient of Recalculation	Saccharinity	Coefficient of Recalculation
13.0	0.750	15.4	0.950	17.8	1,150
13.1	0.758	15.5	0.958	17.9	1,158
13.2	0.767	15.6	0.967	18.0	1,167
13.3	0.775	15.7	0.975	18.1	1,175
13.4	0.783	15.8	0.983	18.2	1,183
13.5	0.792	15.9	0.992	18.3	1,192
13.6	0.800	16.0	1,000	18.4	1,200
13.7	0.808	16.1	1,008	18.5	1,208
13.8	0.817	16.2	1,017	18.6	1,217
13.9	0.825	16.3	1,025	18.7	1,225
14.0	0.833	16.4	1,033	18.8	1,233
14.1	0.842	16.5	1,042	18.9	1,242
14.2	0.850	16.6	1,050	19.0	1,250
14.3	0.858	16.7	1,058	19.1	1,258
14.4	0.867	16.8	1,067	19.2	1,267
14.5	0.875	16.9	1,075	19.3	1,275
14.6	0.883	17.0	1,083	19.4	1,283
14.7	0.892	17.1	1,092	19.5	1,292

14.8	0.900	17.2	1,100	19.6	1,300
14.9	0.908	17.3	1,108	19.7	1,308
15.0	0.917	17.4	1,117	19.8	1,317
15.1	0.925	17.5	1,125	19.9	1,325
15.2	0.933	17.6	1,133	20.0	1,333
15.3	0.942	17.7	1,142		
