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By Rudy Ruitenberg - June 10

Ukraine has a “large potential” to boost crop yields because of low fertilizer use, said Anton Khmelnitski, the chief executive officer of Kiev-based Elbrus Capital Investments.

Following are comments he made at the Jetfin Agro industry conference in Geneva today:

“One of the key interesting factors for Ukraine is that it has a quite unique soil quality, dominated by the famous black earth.” Such soils “cover approximately half of the country.”

“There’s very little fertilizer-use in the Ukraine.

Despite that the natural yields in Ukraine are on par with the rest of the world.” That leaves “quite large potential for productivity gains,” he said.

Another typical feature of Ukraine “is that you don’t own the land, you rent it. The moratorium that is on place on asset sales will be lifted; this is just a question of time. There will be a fairly gradual process.”

“Companies renting land will have pre-emptive rights, either to continue renting or to buy it.” A functioning land market “will allow huge changes. Smaller companies, that cannot get any financing at all, will get credit.” Larger companies would be able to include land values in their balance sheets, Khmelnitski said.