

Revival of the agrarian export potential of Ukraine affected by the Russian military aggression



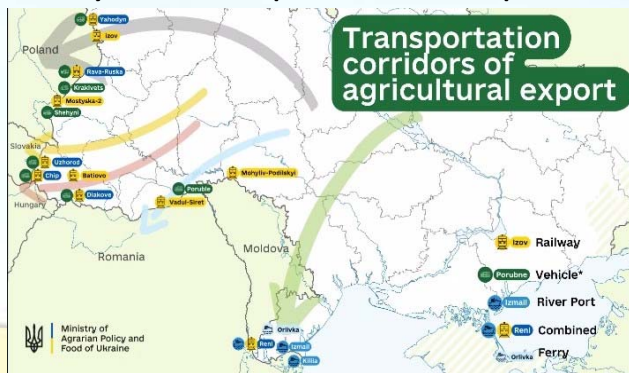
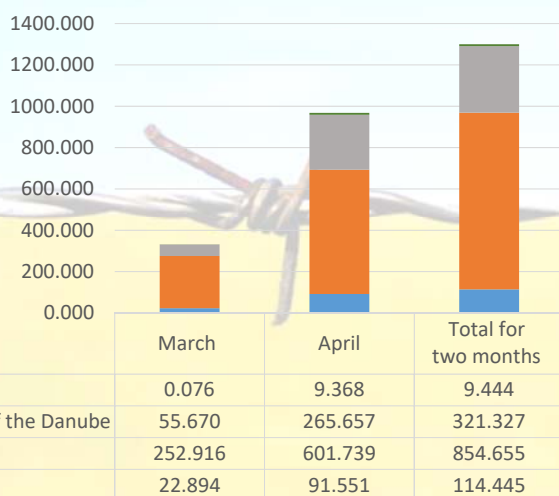
Antonina Broyaka

PhD in Economics, Associate Professor,
*Former Dean of the Faculty of Economics and Entrepreneurship,
Vinnytsia National Agrarian University, Ukraine*



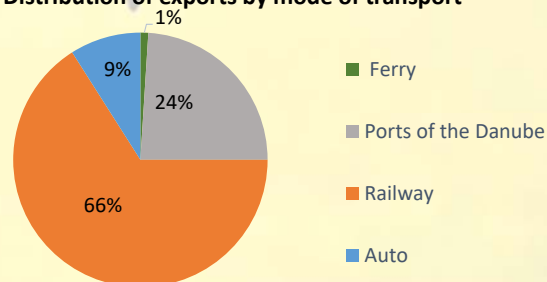
The state of Ukrainian foreign trade in agricultural products by mode of transport in March and April 2022

Total passage of agricultural products for export by mode of transport, metric tonnes



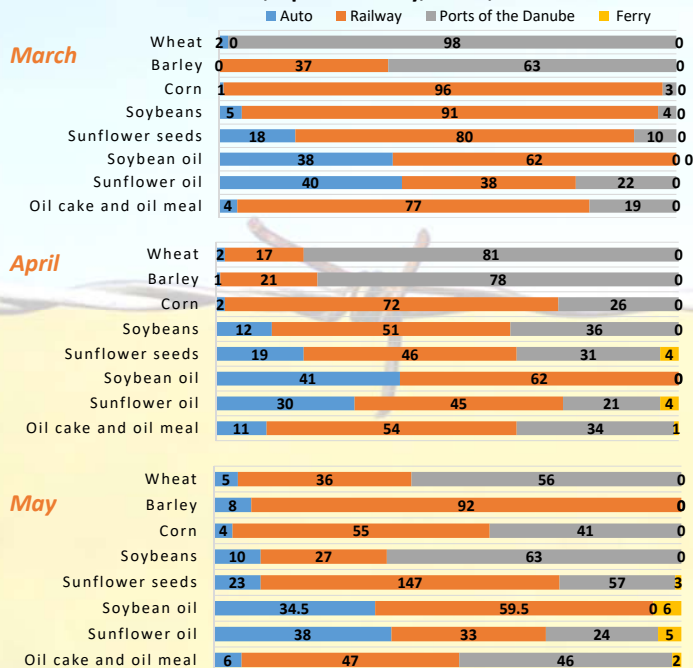
Transportation corridors of agricultural export

Distribution of exports by mode of transport



Source: *the Ministry of Agrarian Policy and Food of Ukraine

Ukrainian export of selected crops by mode of transport in March, April and May, 2022, in %

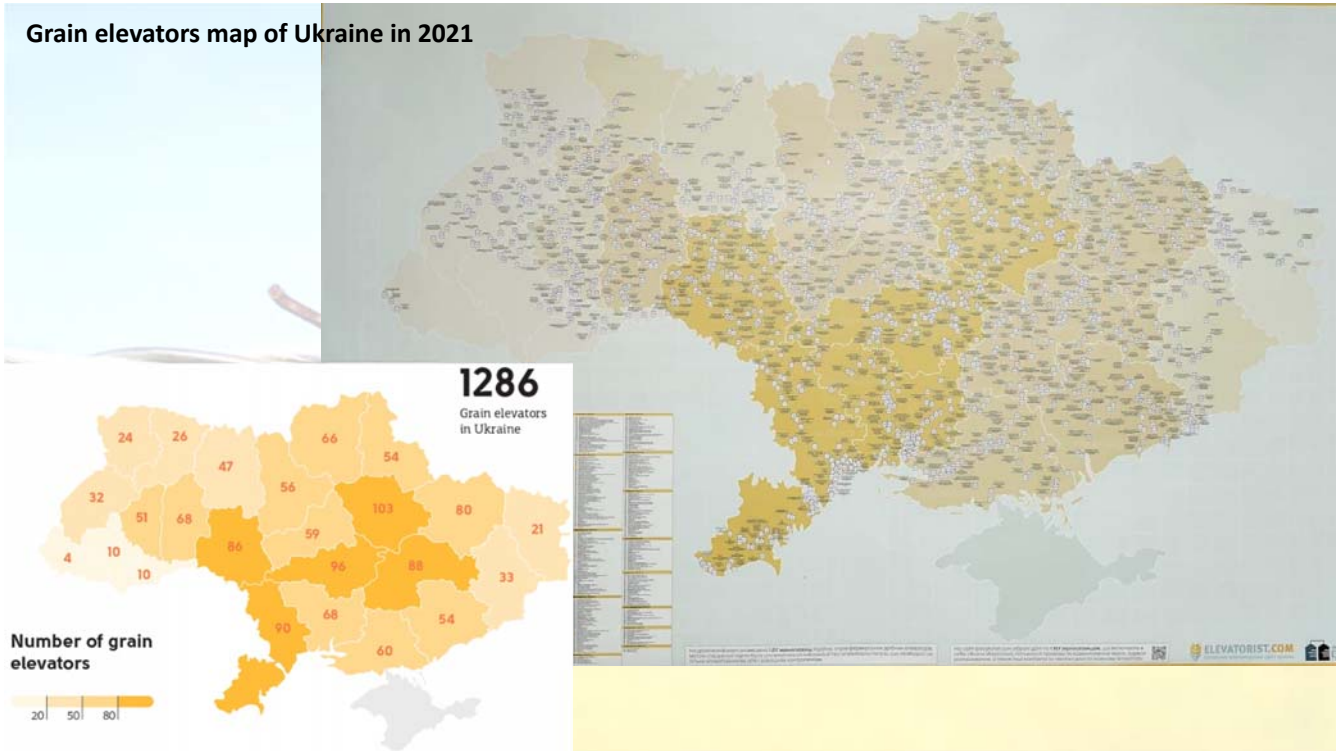


Ukrainian grain export in 2021/2022 MY (July 1, 2021 – May 19, 2022)

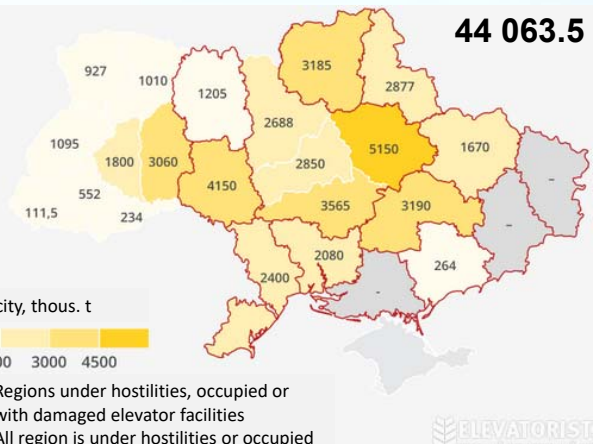
Commodity	2020 / 2021 MY	2021 / 2022 MY	April, 2022	As of May 19, 2022
	mln tonnes		thsd tonnes	
Grains and pulses, total	44.9	46.51	763	643
including:				
•wheat	16.6	18.54	115	16
•barley	4.2	5.7	25	8
•rye	0,008	0.162	no exports	
•corn	23.1	21.83	622	617
Flour	0,13	0.07	0.5	1

Source: *the Ministry of Agrarian Policy and Food of Ukraine

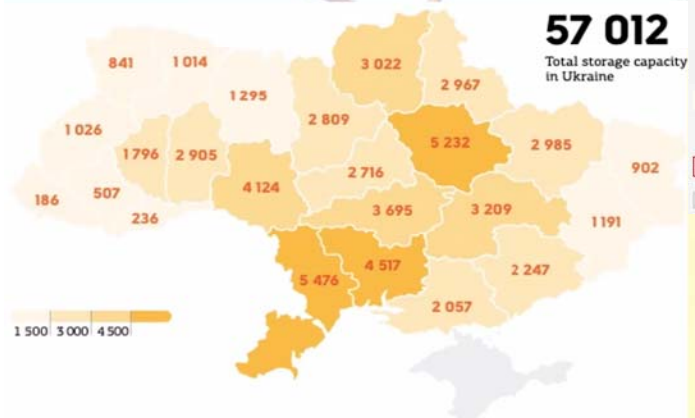
Grain elevators map of Ukraine in 2021

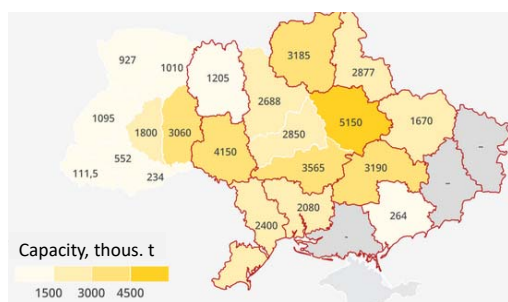


Total grain storage capacity of Ukraine as of May 2022, thousand of metric tonnes



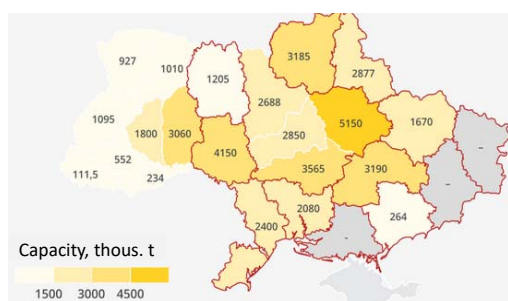
Total grain storage capacity of Ukraine as of January 2022, thousand of metric tonnes





Grain elevator storage capacity in Ukraine, thousand tonnes

Region	Before February 24, 2022	Current capacity
Vinnytsia	4212.5	4150 (- Elevator ZERNOPIILLIA on Zhmerynka hub)
Zhytomyr	1303	1205 (- PORTTRANSBUD elevator)
Kyiv	2688	2688 ?? (not yet known exactly)
Kirovograd	3565	3565
Cherkasy	2850	2850
Chernihiv	3185	3185 ?? (partially damaged several elevators, not yet known exactly)
Sumy	2901	2877 (confirmed damage of Viaziv elevator)
Poltava	5150	5150

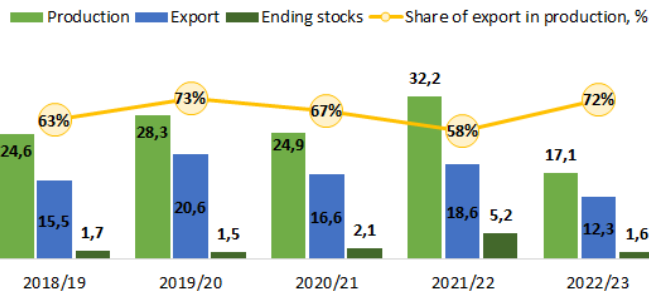


Grain elevator storage capacity in Ukraine, thousand tonnes

Region	Before February 24, 2022	Current capacity
Zaporizhia	2710 (52 units)	264 (10 units) , the rest is under occupation or in the hostilities arias
Mykolaiv	4221 (67 units)	2080 (In addition 1454 thousand tonnes – sea port, that blocked or in the hostilities arias. Confirmed damage of Kostantynivsk elevator)
Odesa	5550	240 (3100 thousand tonnes – sea port that blocked)
Kherson	1817	All under occupation or in the hostilities arias
Donetsk	1127.23	All under occupation or in the hostilities arias. Confirmed damage of Ukrtransagro elevator.
Luhansk	880	All under occupation or in the hostilities arias. Confirmed totally destroyed Rubizne Agro elevator damaged Golden Agro, Krasnorechenske
Dnipro	3190	3100 (confirmed damage of Kontraktova and NUBILON Zelendor branch elevator)
Kharkiv	3007	1670 (confirmed damage of two elevators, rest is on the occupied areas)



Dynamics of production and export of Ukrainian wheat, mln tonnes

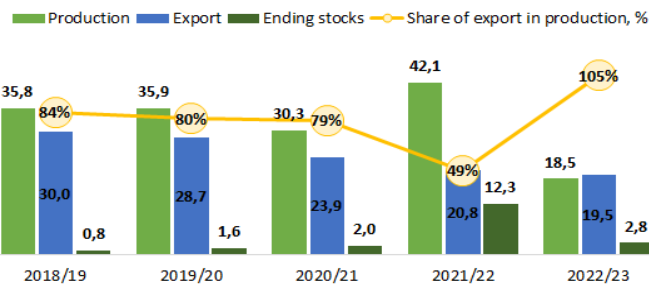


Total ending stocks of grains and oilseeds can amount to **21.3 million tonnes** in Ukraine in 2021/22 MY

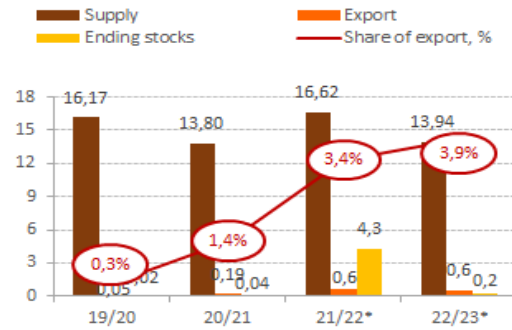
The shortage of capacity for the new harvest at the beginning of May is estimated at **16.3 million tonnes**, based on the forecast for the 2022 harvest at 55.9 million tonnes

Ending stocks could fill up to **35%** of the total stock

Dynamics of production and export of Ukrainian corn, mln tonnes



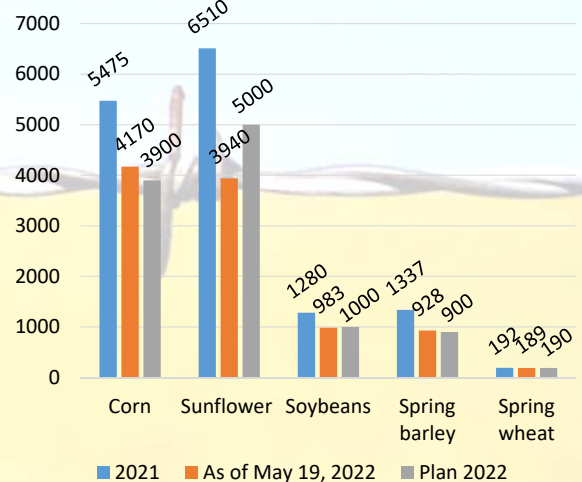
Supply and export of sunflower seed in Ukraine, mln tonnes



About **14.158 million hectares** of spring crops could be sown in 2022 (or **83.69%** of the total sown area in 2021 – forecast as of May 19, 2021). As of May 19, Ukraine planted **11.845 mln ha** with spring crops (**70%** of the last year level and **83.66%** of planned area according to the latest forecast)

Crops	Sown, thousand hectares			Current sown area compared to total 2021
	2021		as of May 19, 2022	
	total for the year	as of May 20, 2021		
Total	16916.3	13784.1	11845.4	70.0%
Spring cereals and legumes	7457.1	6802.3	5596.3	75.0%
including:				
• spring wheat	192.1	175.2	188.6	98.2%
• spring barley	1337.0	1336.7	927.5	69.4%
• spring rapeseed	33.2	*	28.4	85.5%
• oats	177.9	177.9	156.8	88.2%
• peas	242.1	230.9	124.8	51.5%
• corn	5474.8	4881.6	4170.2	76.2%
Buckwheat	84.0	33.9	37.4	44.6%
Millet	78.1	62.1	32.1	41.1%
Sugar beet	224.7	224.7	182	81.0%
Sunflower	6509.7	5614.1	3940.3	60.5%
Soybeans	1279.6	1047.0	982.7	76.8%
Potato	1283.1	*	1074.6	83.7%

Spring crops, thousand hectares



Source: *the Ministry of Agrarian Policy and Food of Ukraine

Ukrainian agricultural production and exports (2022/23 Marketing Year)

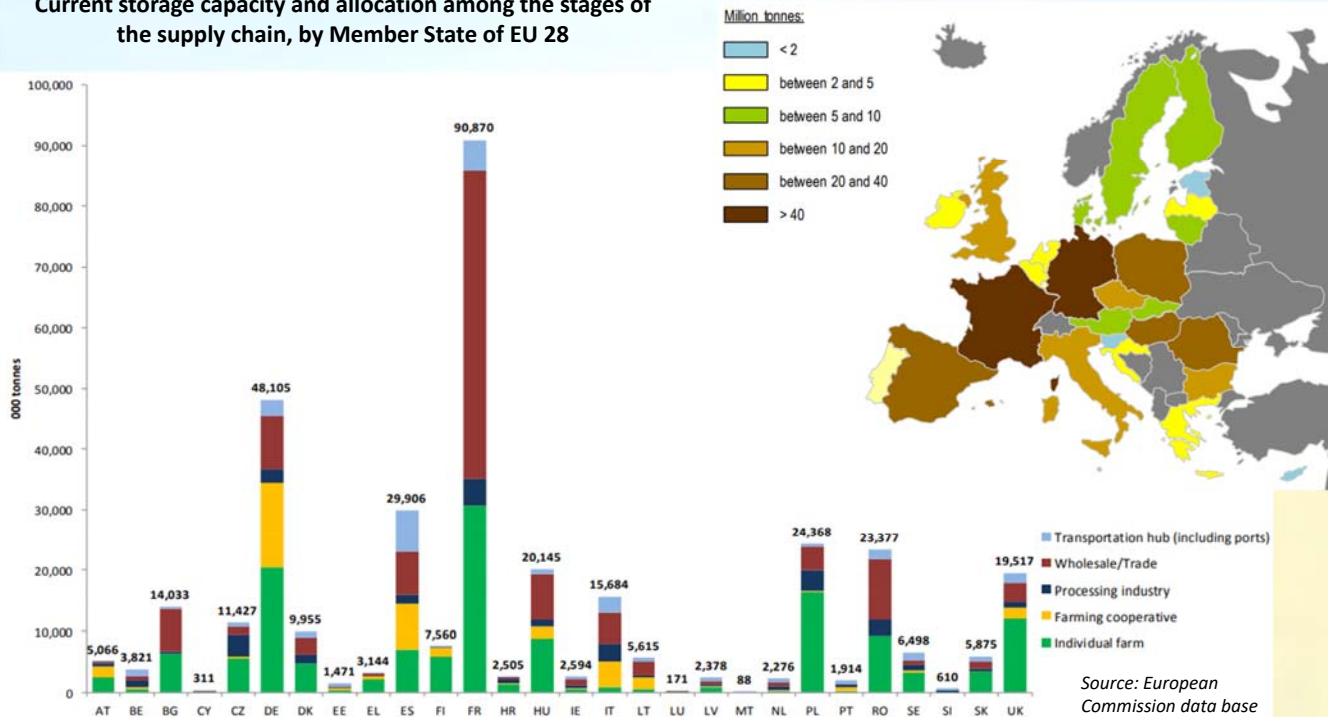
Product	Production			Exports		
	Volume (thousands metric tonnes)	Rank Among Global Producers	% of Global Production	Volume (thousands metric tonnes)	Rank Among Global Exporters	% of Global Exports
Corn	19,500	#8	1.7%	9,000	#4	4.9%
Wheat	21,500	#9	2.8%	10,000	#7	4.8%
Sunflower	11,000	#2	21.7%	750	#1	20.1%
Barley	6,000	#7	4.0%	2,000	#6	6.4%
Sunflower Oil	4,193	#2	21.9%	3,800	#1	36.3%
Sunflower Meal	4,027	#3	19.4%	2,900	#1	41.5%
Rapeseed	3,200	#6	4.0%	2,750	#3	16.6%

EU total grain production estimates (in thousands of metric tonnes)

crops	Production		Carryover (ending) stocks	
	2021-22	2022-23	2021-22	2022-23
Total	292,999	286,020	28,342	27,952
Wheat	138,330	135,300	12,690	12,580
Corn	70,500	67,500	8,735	8,470
Barley	52,577	52,370	5,257	5,617
Mixed	14,970	14,500	495	440
Rye	7,958	7,730	682	472
Oats	7,643	7,540	454	344
Sorghum	1,021	1,080	29	29

Source: USDA WASDE and PSD Database, updated May 12, 2022

Current storage capacity and allocation among the stages of the supply chain, by Member State of EU 28



Available storage capacity at EU28 Member State level vs. storage needs

Member States	2005 mapped storage capacities (tonnes)	Current mapped storage capacities /total current s.c. (tonnes)	Minimum needed storage capacity (tonnes)	Maximum needed storage capacity (tonnes)	Shortage situations vs. the expected total capacity
Austria	4,420,949	5,065,549	3,887,000	6,275,000	X
Belgium	3,636,202	3,820,630	2,674,000	4,954,000	X
Bulgaria	7,291,367	14,032,575	8,573,000	9,230,000	
Croatia	2,276,926	2,504,676	1,854,000	4,054,000	X
Cyprus	95,019	311,292	104,000	248,000	
Czech Republic	10,436,297	11,427,481	9,982,000	10,635,000	
Denmark	8,938,900	9,954,900	12,141,000	13,006,000	XX
Estonia	1,054,613	1,470,806	1,753,000	1,826,000	XX
Finland	6,540,400	7,559,500	4,767,000	4,900,000	
France	82,685,986	90,870,486	67,320,000	76,930,000	
Germany	46,520,775	48,104,734	55,087,000	60,705,000	XX
Greece	2,165,980	3,144,337	3,281,000	5,803,000	XX
Hungary	14,714,427	20,144,534	10,460,000	18,196,000	
Ireland	1,993,367	2,593,903	2,989,000	3,503,000	XX
Italy	14,649,689	15,683,826	12,219,000	24,270,000	X
Latvia	1,569,028	2,377,920	3,377,000	3,435,000	XX
Lithuania	4,815,009	5,615,498	6,892,000	7,027,000	XX
Luxembourg	56,210	170,655	216,000	240,000	XX
Malta	0	88,000	0	64,000	
Netherlands	2,164,970	2,275,630	1,768,000	4,925,000	X
Poland	15,494,236	24,368,366	29,670,000	32,313,000	XX
Portugal	1,755,100	1,913,580	556,000	2,531,000	X
Romania	16,138,355	23,377,236	13,995,000	22,232,000	
Slovakia	5,698,412	5,875,219	3,968,000	5,414,000	
Slovenia	573,385	609,635	342,000	755,000	X
Spain	22,464,548	29,905,814	23,858,000	29,985,000	X
Sweden	4,384,580	6,498,430	6,984,000	7,221,000	XX
United Kingdom	17,098,723	19,517,051	28,487,000	31,288,000	XX
EU 28	299,633,454	359,282,264	317,204,000	391,965,000	

Source: European Commission data base

At the G7 ambassadors' meeting, Ukraine proposed to create an influential **Organization of Major Grain Suppliers in the World**, which would respond to current challenges and threats to food security.

Basic principles of this Organization:

- ✓ setting limits on grain exports in order to stabilize prices and market predictability;
- ✓ development of a mechanism for directing excess balances of agricultural products to the needs of the "green" sector of the economy;
- ✓ application of joint restrictive measures against hostile actions by food importers (in particular with regard to barriers to imports of processed products from third countries);
- ✓ grain ending stocks contracted by third countries must be stored largely in producing countries.

Moscow is speculating on the possibility of unblocking seaports in exchange for lifting sanctions imposed by countries in connection with the war in Ukraine.

Main risks and factors for the development of Ukraine's agricultural export potential

in a short-run :

- further development of the situation in Ukraine due to Russia's military aggression;
- destruction of railway infrastructure by the Russian military;
- the efficiency of logistics, the functioning capacity on western crossings for exporting products, the availability of free containers, wagons, vehicles and drivers;
- significant queues at railway crossings;
- work on simplification of the requirements for road transport in the direction of the EU;
- shipment of Ukrainian products from European ports;
- the level of demand for Ukrainian agricultural products and raw materials, as well as the level of their supply;
- further possibility of operation of Ukrainian agricultural producers and food processing plants
- tax incentives, simplified customs and certifications procedures for Ukrainian producers

in a long-run:

- restoration of territorial integrity, return of Ukrainian territories
- reconstruction and development of production and social infrastructure
- assistance in the inflow of foreign capital and modern technology
- assistance should be provided in the form of grants rather than loans
- support for additional transport corridors for the delivery of humanitarian aid to Ukraine (including fuel, fertilizers) and export from Ukraine
- a carbon-free future with minimal dependence on fossil fuels
- removal or minimization of export restrictions for Ukrainian products
- special economic zones for Ukrainian enterprises in neighboring countries



Thank you!

Questions?