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UA FARMING AT WAR TIME



Role of Ukraine in global food supply



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Wheat

#5 export country
Export – 24 MMT
World export - **12%**

Corn

#4 export country
Export – 33 MMT
World export - **16%**

Barley

#3 export country
Export – 6 MMT
World export - **18%**

Rapeseed

#3 export country
Export – 2.7 MMT
World export - **20%**

Sunflower oil

#1 export country
Export – 6.6 MMT
World export - **50%**

Chicken meat

#7 export country
Export – 0.43 MMT
World export - **3%**

Honey

#2 export country
Export – 81 KMT
World export - **12%**

Walnuts

#5 export country
Export – 39 KMT
World export - **5%**

Source: FAS USDA, ITC, UA Customs BI

**Ukraine's contribution is equivalent to feeding more than 400 million people, not counting UA population.
Every second to third piece of bread there produced from Ukrainian wheat in Africa and Middle East.**

Global Hunger Threat



- russian invaders stole from storage facilities and fields in the occupied territories about **7 MMT of grains**
- According to Global Hunger Index **47 countries** have high levels of hunger in 2021. The war in Ukraine is estimated to bring this number to more than **60 countries in 2022**
- **3.1 million children** die from undernutrition each year



North Africa, Middle East and Asia are highly dependent from UA food supply

IMPACT

War damage to UA agriculture



Russia occupied UA agricultural territory – **around 8 mln ha (27%)**

Direct damage to UA agriculture - **\$6.6 billion**

Indirect war losses of UA agriculture - **\$34.25 billion**

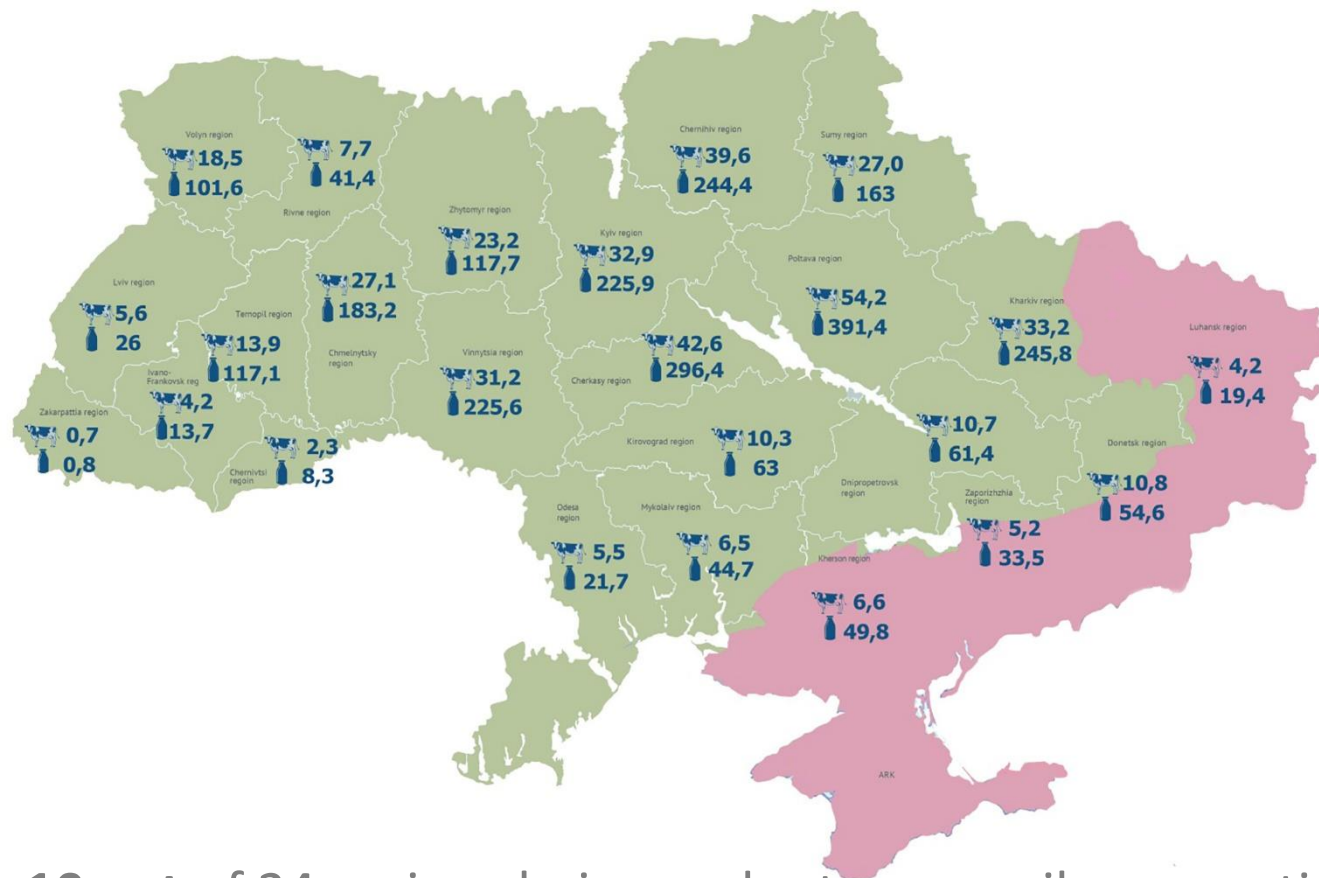
Total damage and losses - \$40.85 billion

UA Agriculture runs despite everything!

We planted **95% of area** possible to plant in spring 2022!

We export via all possible routes and keep supply food to the world

Impact of war: dairy industry



10 out of 24 regions being under temporarily occupation or in hostilities zone, supplied **42%** of milk for processing

~ 800 commercial dairy farms have been affected by the war

Impact of war: dairy industry



Dairy stats:

Cow herd size (as of 01.10.):

Industrial dairy farms – 380,9 thsd. cows (-9,7%)

Backyard farms – 1010,2 thsd. Cows (-17,4%)

! Over 50 thsd cows lost at industrial sector

! Over 100 industrial farms in affected regions heavily damaged or destroyed

Milk supplies to processing (as of 01.11.):

IDF– 1,99 mln t (85.7% of all supplies)

BF– 0,29 mln t (14.6%)

Availability of dairy products

Due to Russia blocking the sea export of grain, IDF is the only source of working capital, After the shock of the first months of the war, productivity and livestock in "safe" areas increased

Forecasts by the end of 2022

Cows in IDF: optimistically -70 thsb. cows (16%) (pessimistically – ~100 thsd. cows),

Impact of war: Pig production



As of October, 2022:

- commercial farms pig population decreased by -11%
- in backyard -15%
- up to 15 farms have been destroyed due to shelling (the biggest among them had 32,000 heads)
- domestic pork supply will reduce appx. by 100 thsd tons (13% of domestic consumption)



Commercial pig farm in Zhytomyr region

Impact of war: Poultry



- ✓ 202 mln heads of poultry
- ✓ 1,6 MMT of poultry live weight for slaughter 2021
- ✓ Export of 400 KMT 2021
- ✓ Main countries: Saudi Arabia, Netherlands, Slovakia, United Arab Emirates, Azerbaijan
- ✓ Loss of herd due to occupation and battles up to 15%



The Resilience of Ukrainian Agri- Sector during the war



Autumn planting campaign 2022



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Grains&oilseeds production and export potential 2022/23 MY



Harvest 2022 estimation –
70 mln MT (-35% to 2021)

Export potential 2022/23 MY from
Nov'22 – 48 mln MT

Need of monthly exports until Jul'23 -
6 mln MT/month

**Ukraine is still top player on global
food market!**

Harvest 2022 estimation, mln MT

| Crops | 2022 |
|---|-------------|
| Total <u>grains&oilseeds</u> | 70,0 |
| Total grains | 53,5 |
| Wheat | 19,4 |
| Barley | 5,6 |
| Corn | 27,0 |
| Other grains | 1,5 |
| Total oilseeds | 16,5 |
| Soybeans | 3,0 |
| Rapeseed | 3,1 |
| Sunflower | 10,4 |

Export logistics of ag products from Ukraine



Before the war:

UA exported **5-6 MMT/month** of grains through sea ports and **500-700 KMT/month** of sunoil
Seaborn export accounted for **98%** of Ukrainian food export.

When the war started:

Sea ports are blocked (Danube ports are insufficient)
Commercial vessels are under attack of Russia
Sea mines are deployed



Export logistics of ag products from Ukraine

UA agro reached exports capacities:

- ✓ Sea ports – 4 mln MT/month
- ✓ Alternatives – 3 mln MT/month,
 - incl. Danube ports – 1,3 mln MT/m
 - railway – 1 mln MT/month
 - roads – 0,7 mln MT/month

60% export volumes in Sep-Oct'22 went through sea ports within Grain Deal.

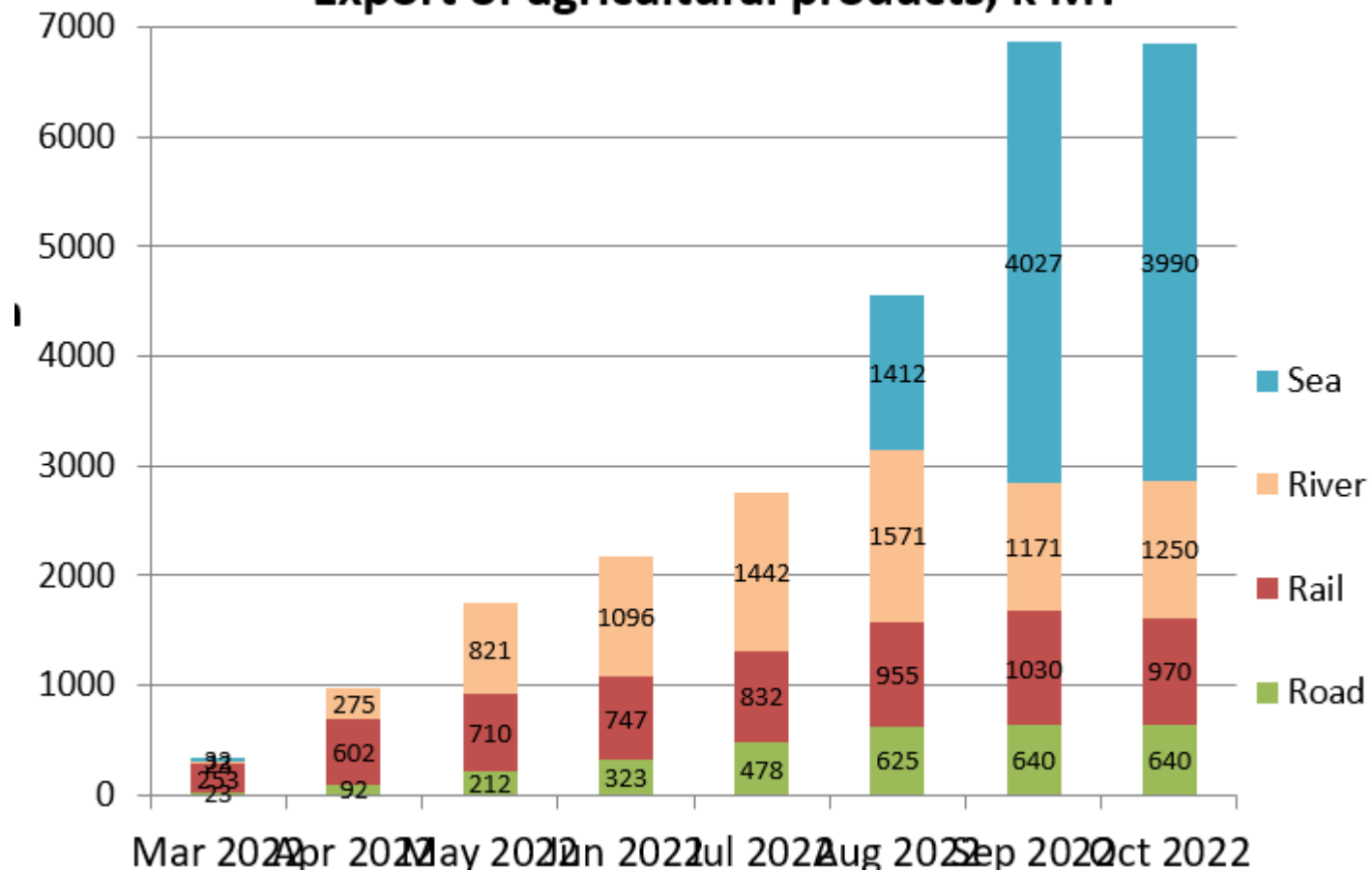
Grain Deal makes huge difference!

The “Solidarity lanes” and alternatives routes are still important!

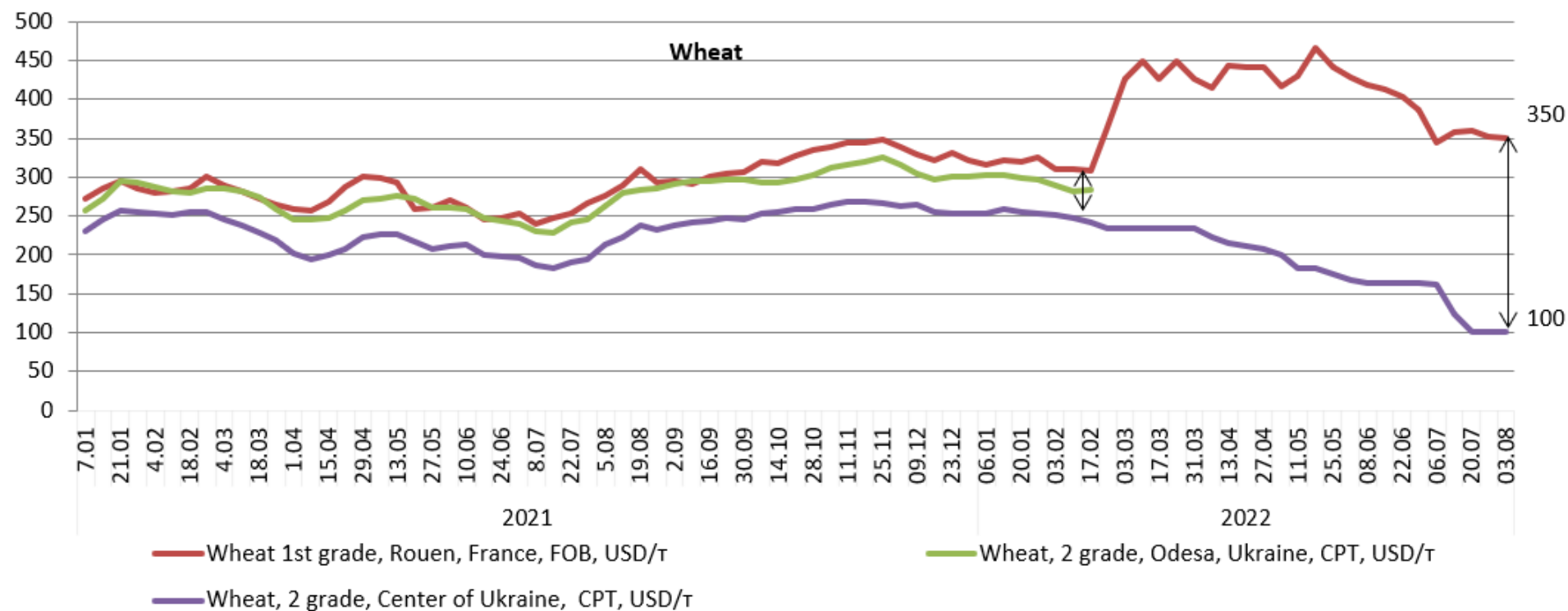


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Export of agricultural products, k MT



Price gap: world vs UA farm



Source: UCAB

Still huge gap between world price and UA farmer price.
Logistics grabs **60-70%** of the price!
Grain production is currently in net loss!

TOP Challenges for UA agriculture



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- **Lack of finance**



- **Energy supply**



- **Logistics**



- **High inputs prices**



Integration into the EU

