

Impact of 2022 Russian Military Invasion on Food Supplies from Ukraine

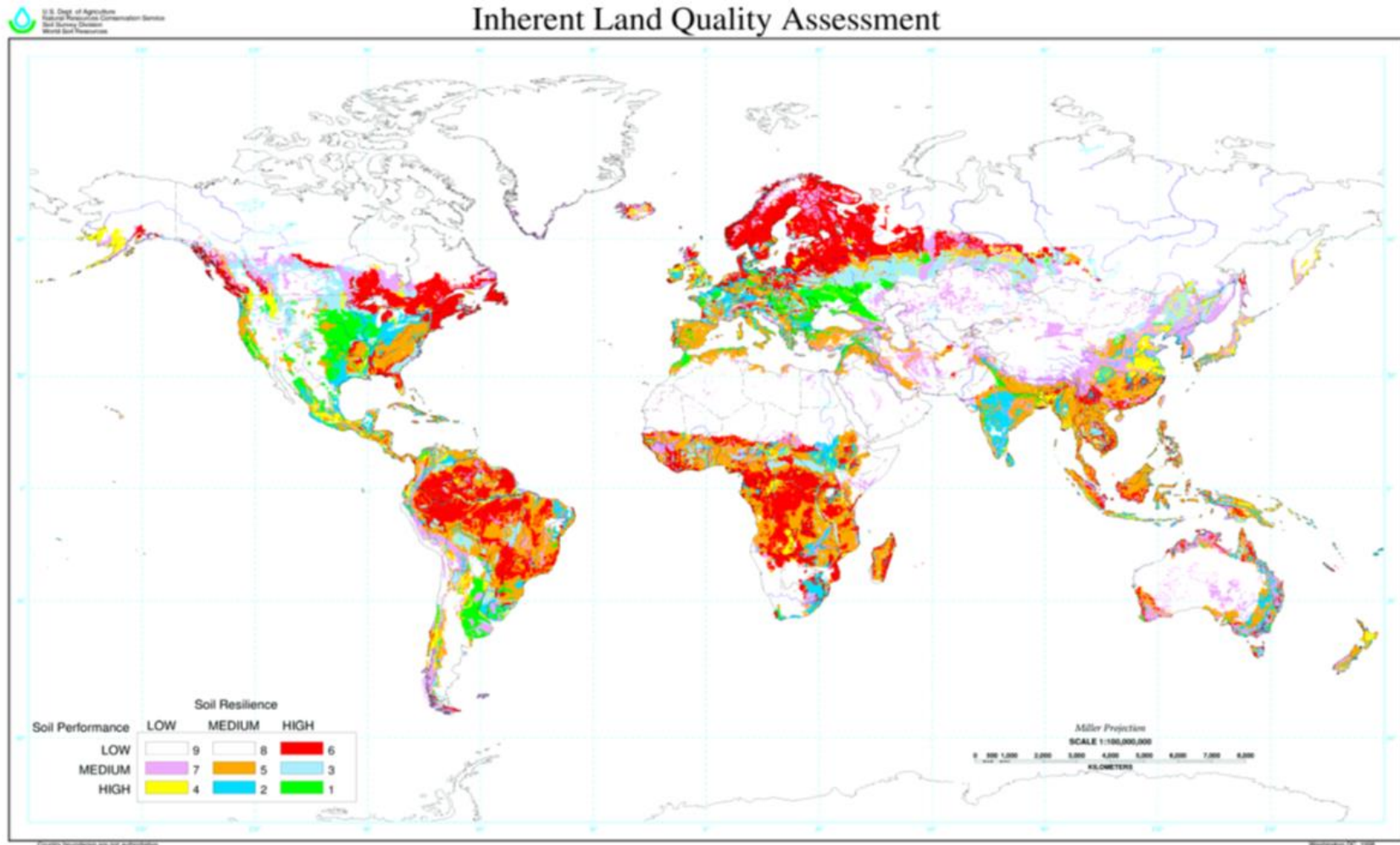
Oleg Nivievskyi, Pavlo Martyshev,
Roman Neyter, Mariia Bogonos and
Dmytro Dushko

Kyiv School of Economics

War and Recovery in Ukraine. ASSA 2023
Annual Meeting, New Orleans, LA

1. Growing role of Ukraine's agriculture
2. A long way to a global agricultural player
3. Big picture: total damages and losses
4. Agricultural sector during the war
 - a) Damages
 - b) Losses
5. Implications for Global Food Security

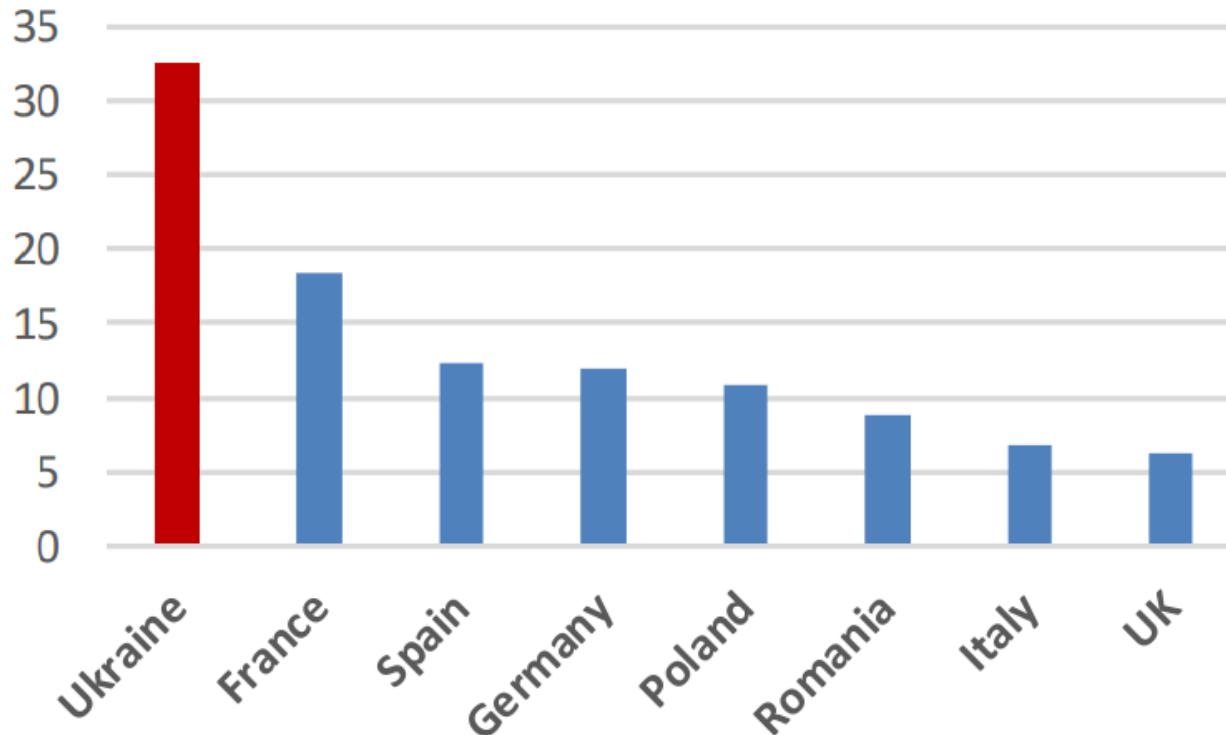
1. Growing Role of Ukraine's Agriculture



1. Growing Role of Ukraine's Agriculture

- Total agricultural land area is 42.7 mln ha or 71% of the total country area
- 1/3 of the most productive farmland in the world (black soil)

Farmland (arable land) in Europe, mln ha

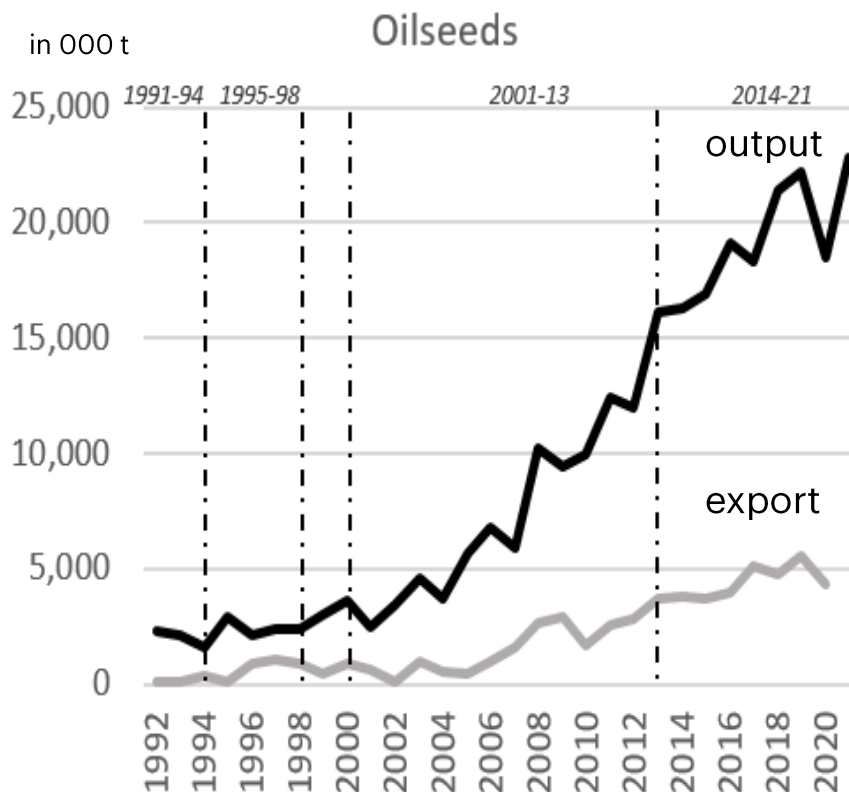
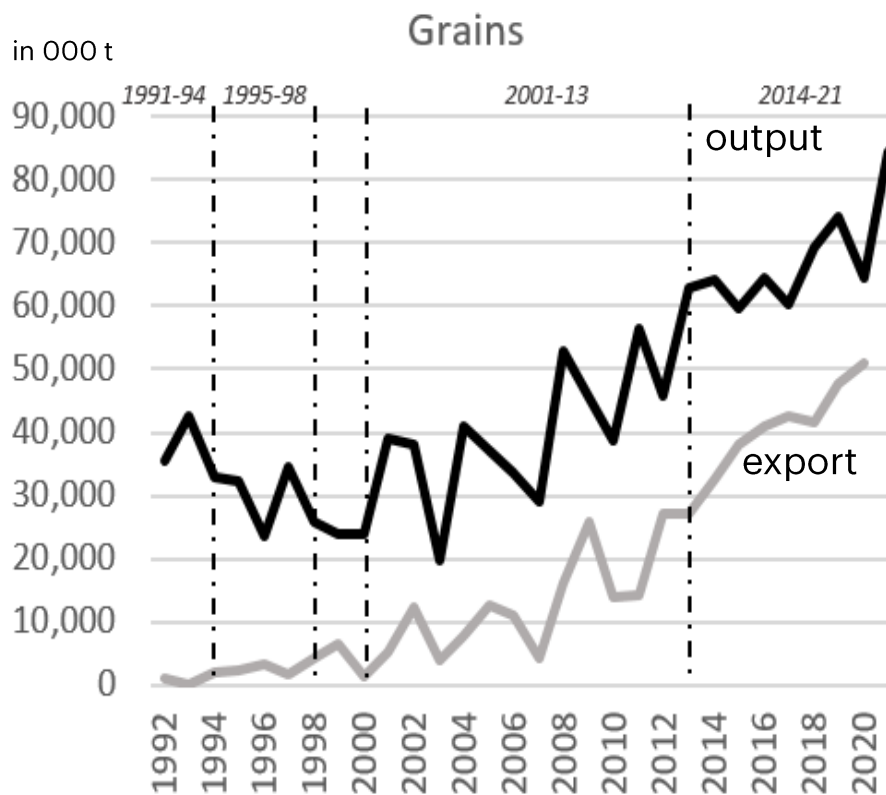


1. Growing Role of Ukraine's Agriculture

- Domestically
 - mainly crops (~ 75% of agricultural output)
 - about 20% of Ukraine's economy (GDP) if up and downstream sectors are included
 - more than 40% of total export revenues
- Globally
- Agri-Food Exports from Ukraine:
 - Equivalent of feeding more than 400 mln people
 - 10% of the world wheat, 15% of corn and barley, and 50% of sunflower oil in global exports

2. A long way to a global player

Production and export of grains and oilseeds



Source: SSCU

3. War TOTAL Damages and Losses



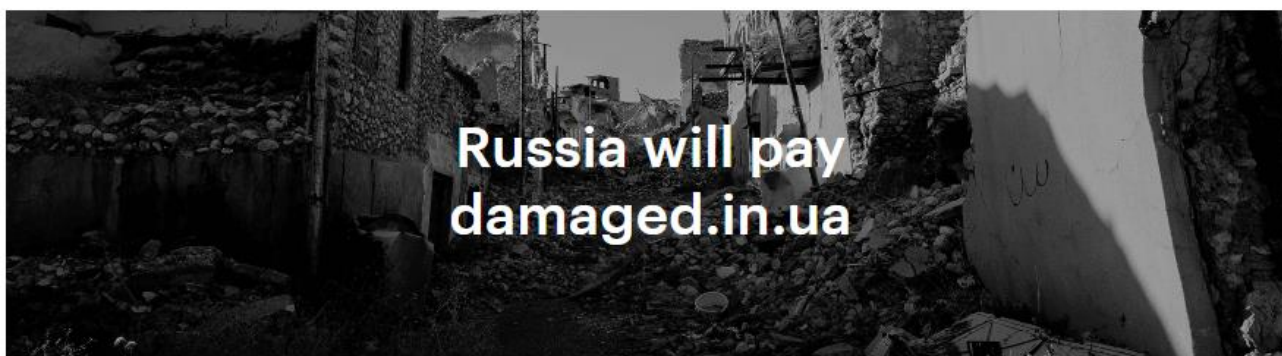
**SelfSanctions
—
LeaveRussia**

[Read more](#)

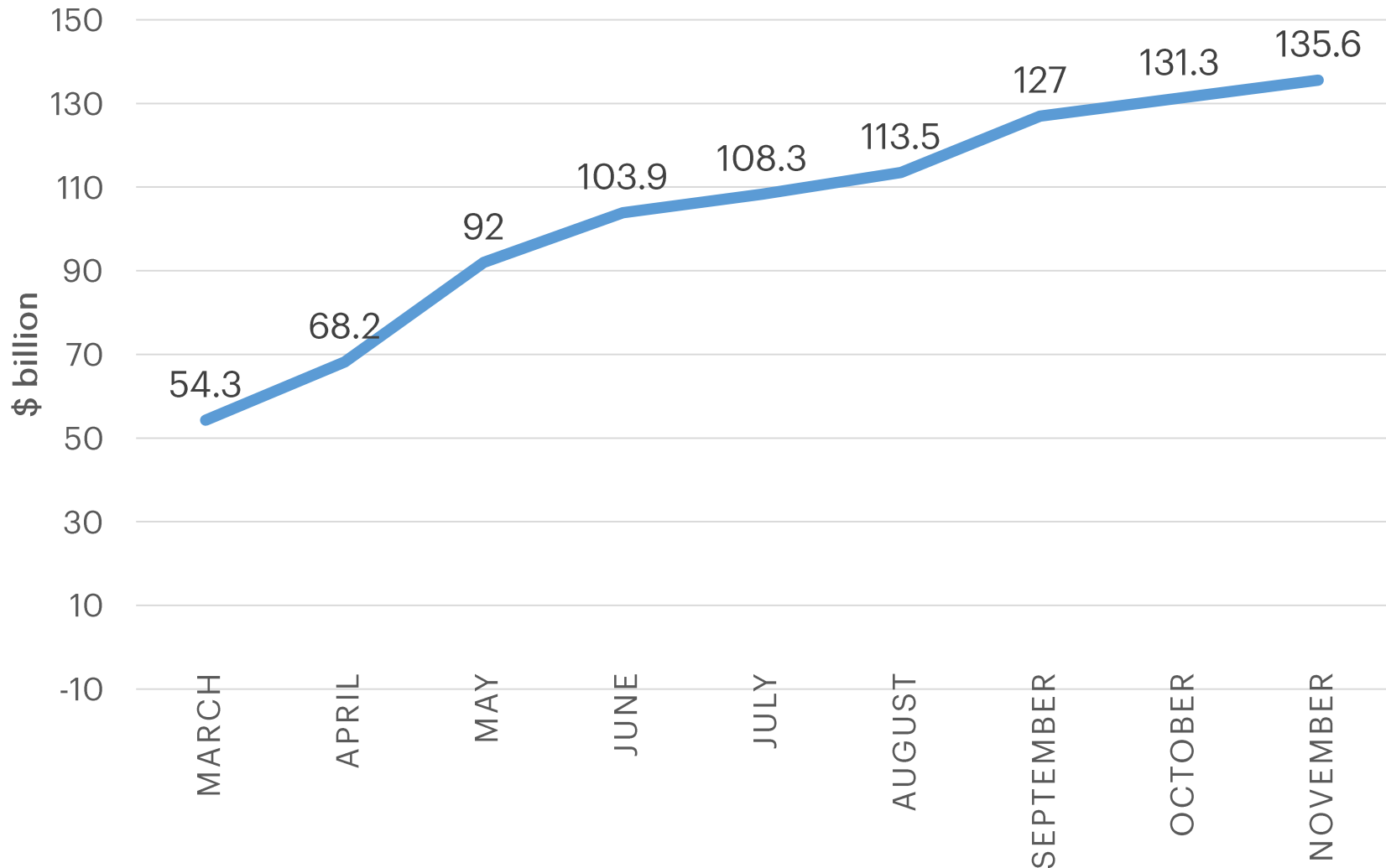


**Sanctions against
Russia
and the
reconstruction of
Ukraine after the
war**

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3. War TOTAL Damages and Losses Pile Up



<https://kse.ua/russia-will-pay/>

War TOTAL Losses:~ \$700 bln

4. War Agricultural Damages and Losses

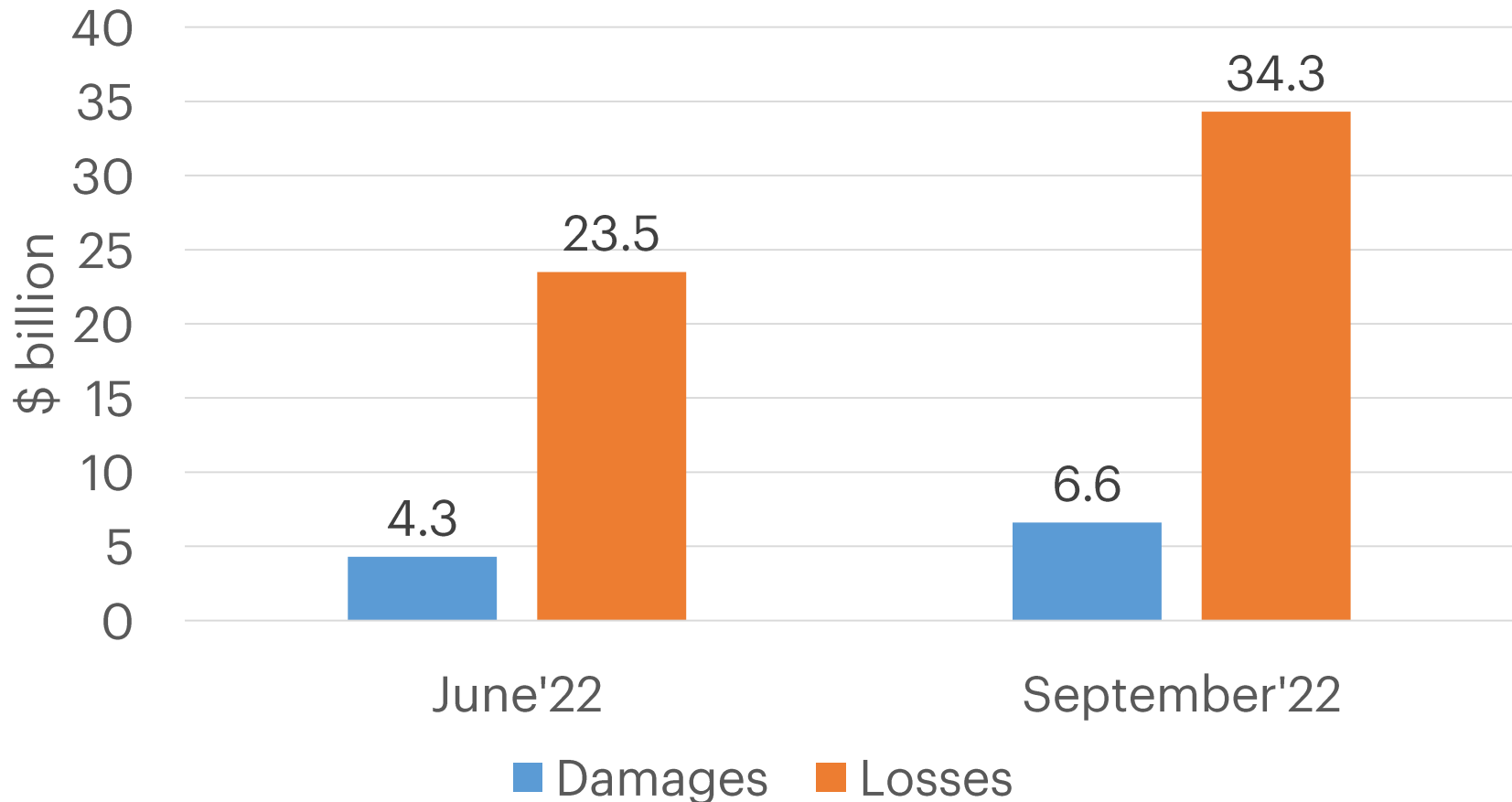


Agricultural War Damages and Losses Review

Center for Food and Land
Use Research
(KSE Agrocenter)

Based on the PDNA (Post Disaster Needs Assessment) methodology developed by the World Bank/EU. Supported by the WB/FAO

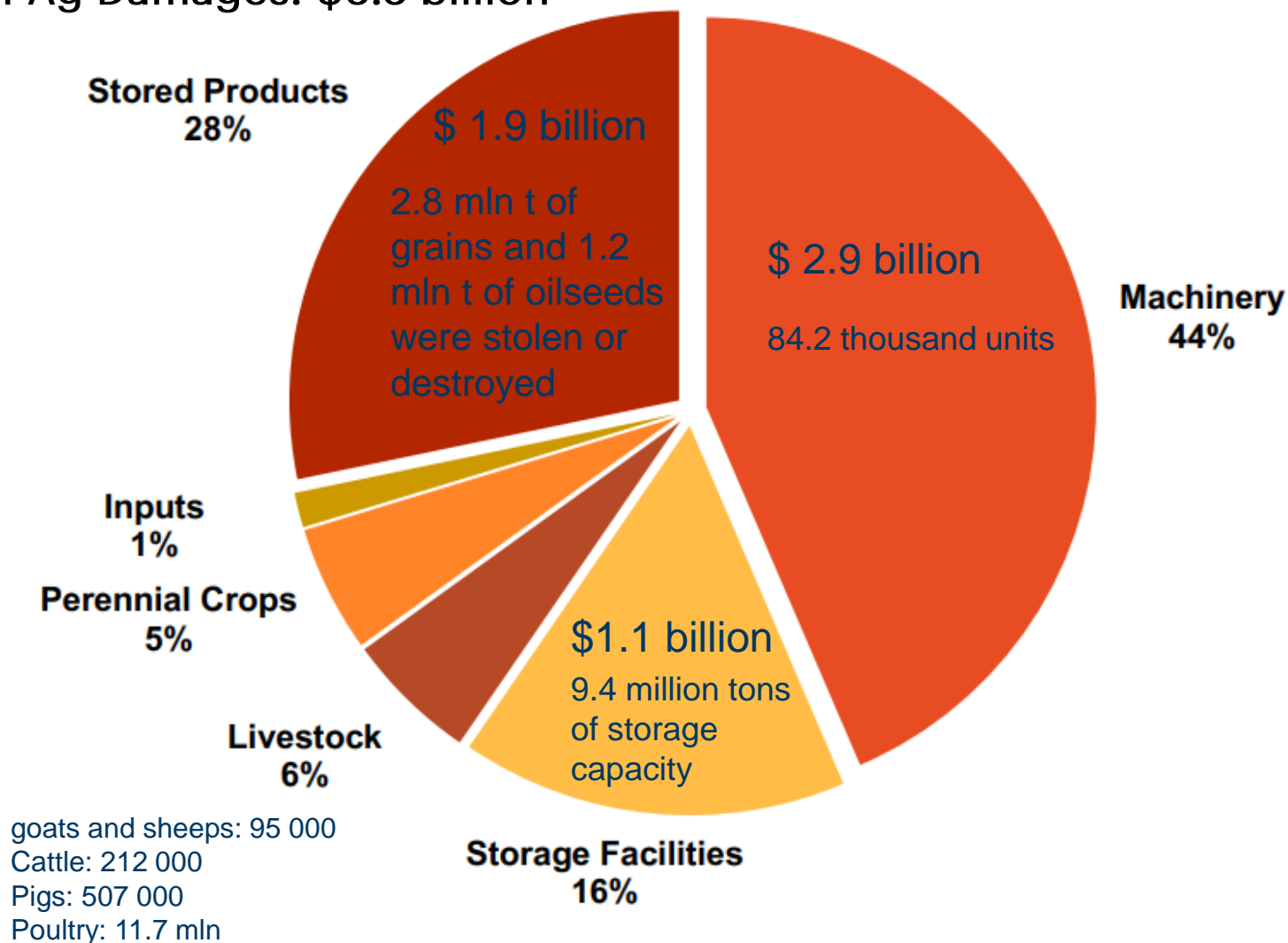
4. Agricultural war damages are piling up quickly



Source: own presentation using the KSE Agrocenter (2022)

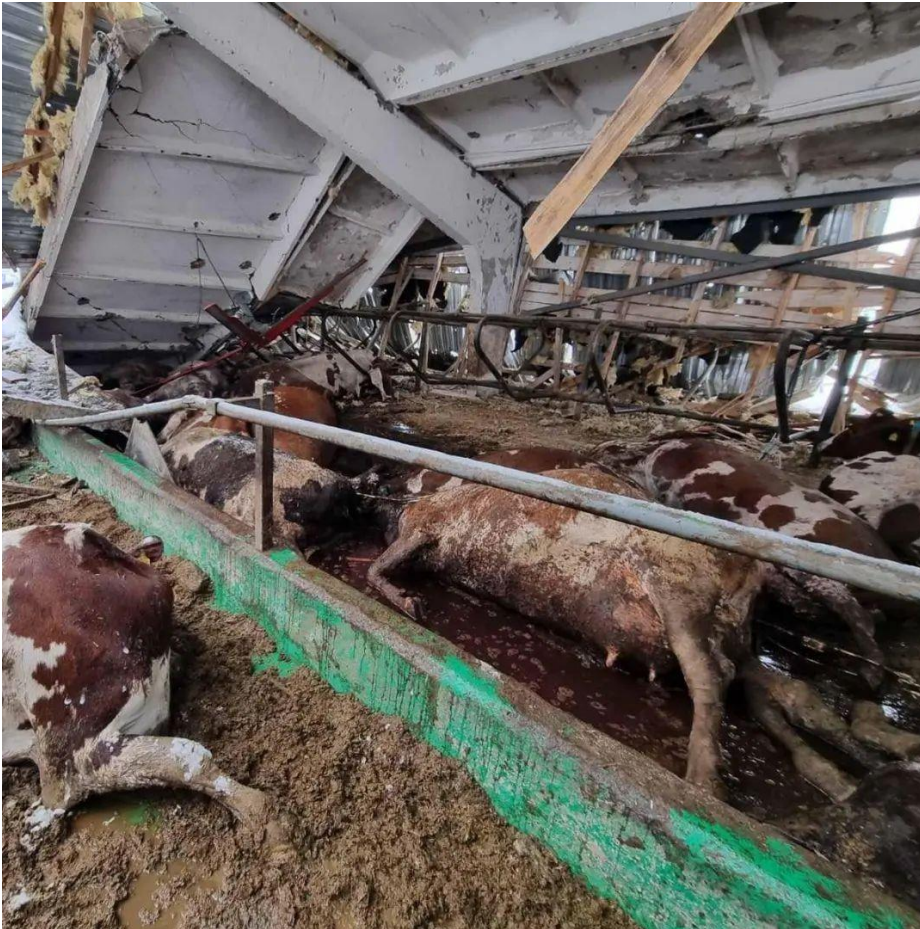
4a. Damages: almost a quarter of the sector is destroyed

Total Ag Damages: \$6.6 billion



4a. War Damages: example

Case: Agromol Dairy company in the North (Kharkiv region)



<https://ecopolitic.com.ua/ua/news/pid-harkovom-rosiyani-znishhili-vidomu-agrofermu-zaginulo-bagatokoriv-video-i-foto-18/>

4a. War Damages: example



<https://superagronom.com/news/15241-na-kiyivschini-traktor-pidirvavsya-na-mini-agrariyiv-zaklikayut-ne-rizikuvati-jittjam>



<https://hromadske.ua/posts/na-chernigivshini-traktor-nayihav-na-vibuhivku-vodij-zaginuv>

<https://novynarnia.com/2022/05/22/u-buchanskomu-rajoni-traktoryst-pidirvavsya-na-mini-foto/>

4a. War Damages: example

Case: shelled fields in Kharkiv region



<https://twitter.com/radiosvoboda/status/1534483247673053184/photo/1>

4a. War Damages: example

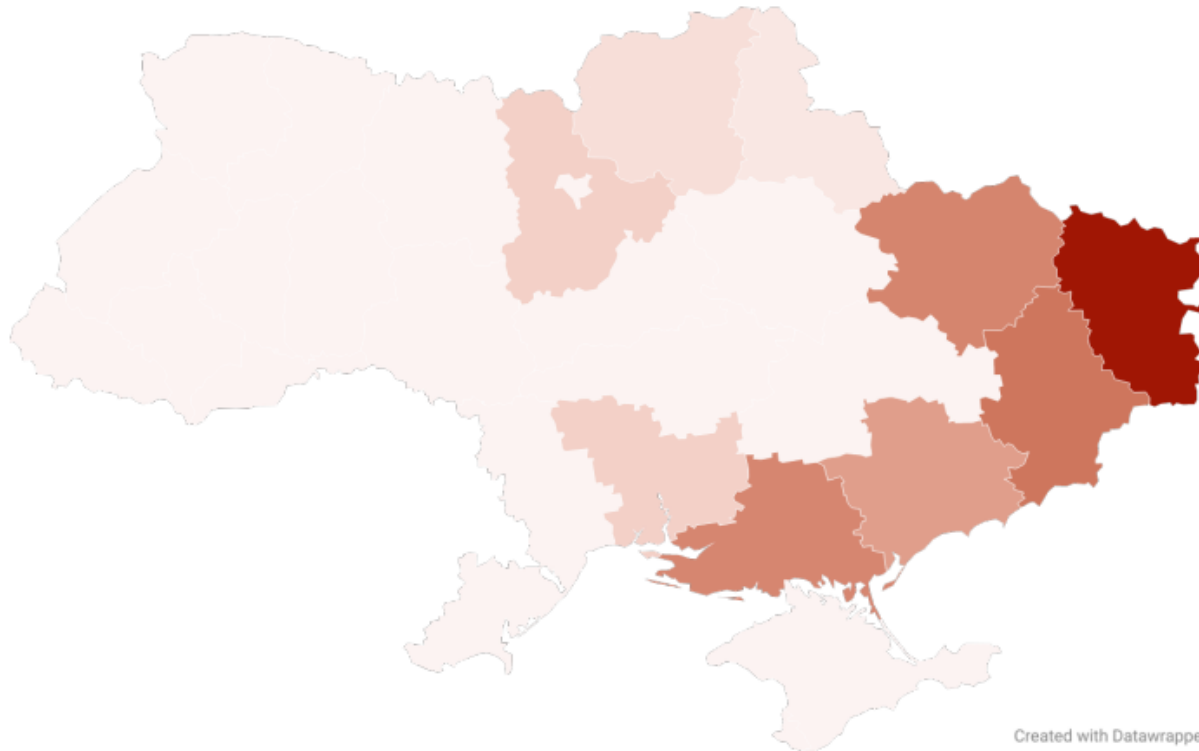
Case: targeted wheat fields in the East



Source: Igor Lutsenko.
<https://www.facebook.com/igor.lutsenko/posts/pfbid02VPLByytoZEhcZsd9xdnF8urVJbRd4adGn455M7ssKT8fBpX9ETQLwGcbZuQabcWkl>

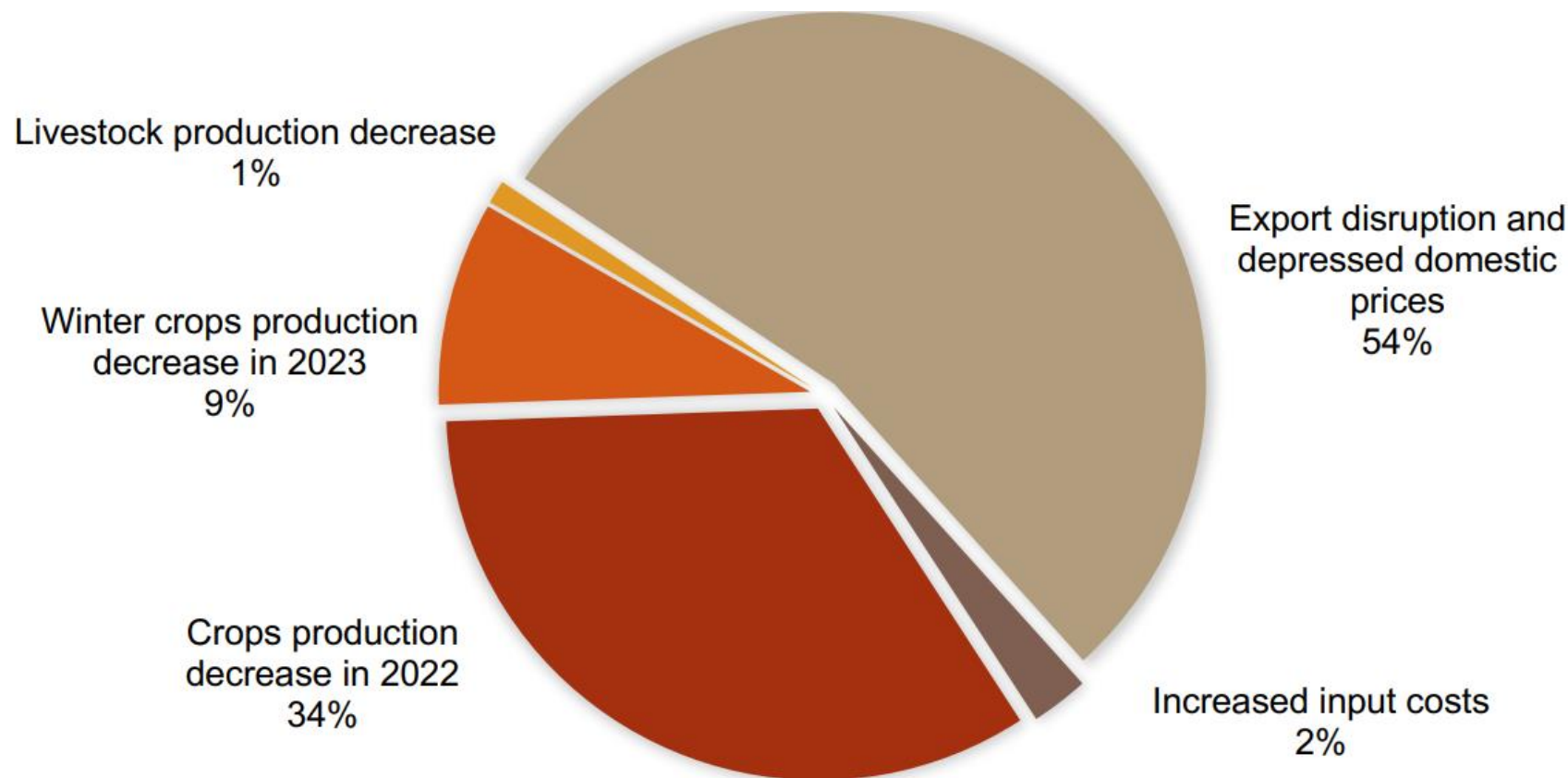
4a. Ag damages geographical distribution

Regional distribution of damages to Ukrainian agriculture

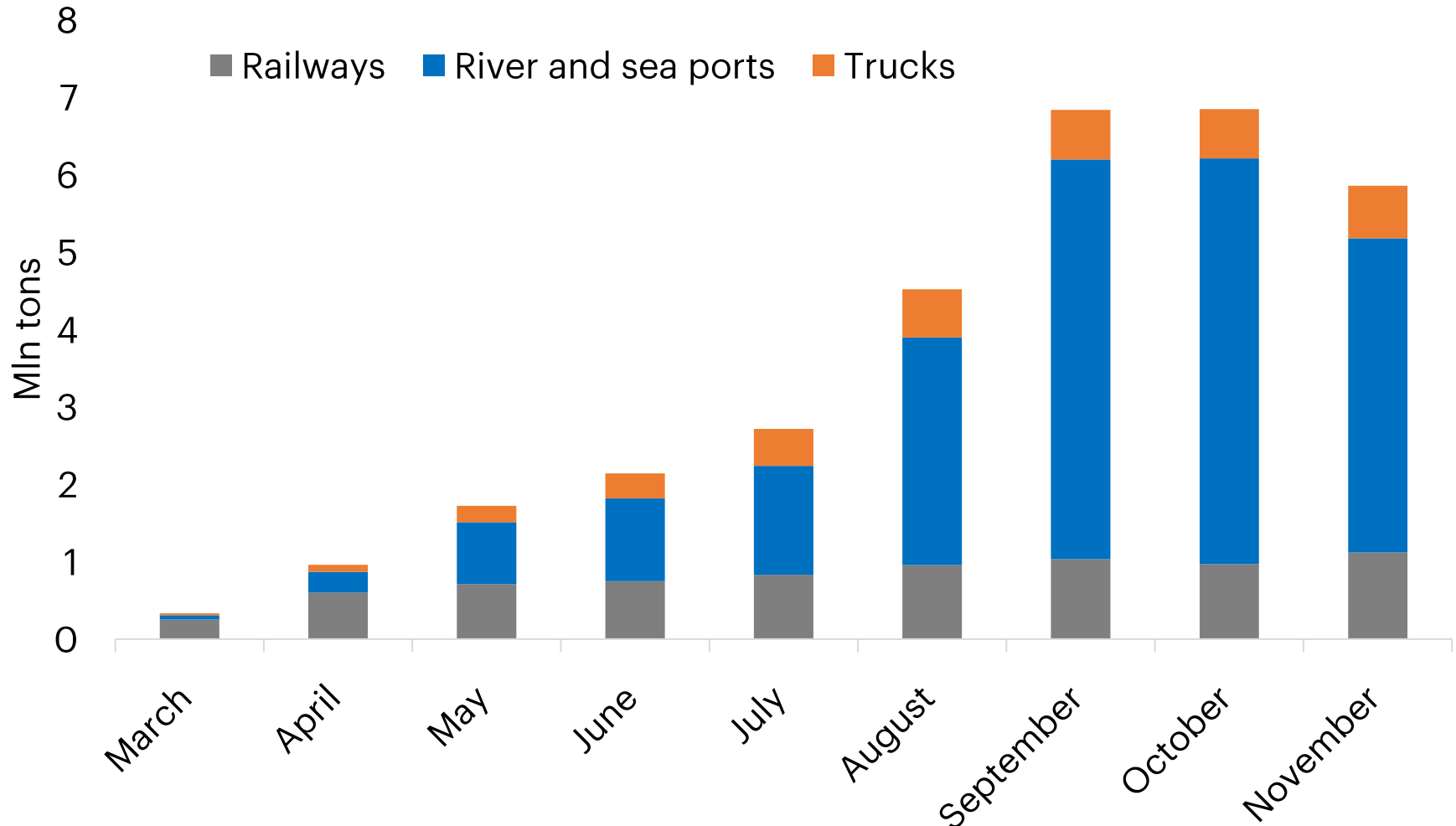


4b. Huge Ag Losses despite High World Market Prices

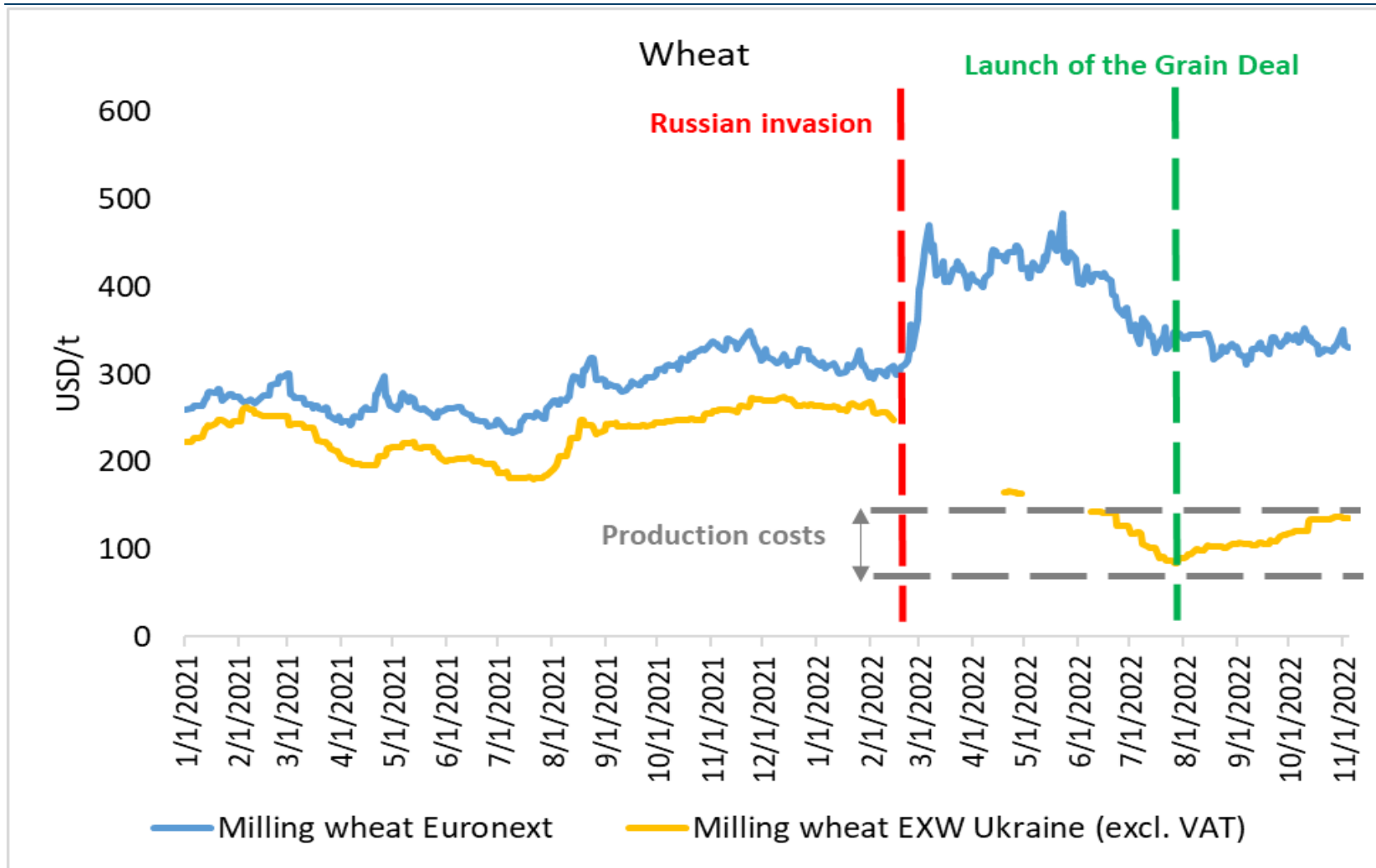
Total Ag Losses: \$34,5 billion



4b. Disrupted Exports since Feb'22



4b. Depressed Domestic Prices



Source: own presentation based on the UkrAgroConsult price data. Note: the production costs' ranges are indicative, based on the information received from the farmers and are provided only to guide a reader with respect to expected profitability of the grain business in Ukraine

4b. Impact on agriculture: summary

- Sea ports were blocked and vessels/exports were stuck
- Exports via other alternative transport routes were limited
- High logistics costs: ~30 \$/t before the war vs \$200/t now
- Current domestic prices are about 50% lower than the world ones
- Huge liquidity problems with farmers. They decide now whether to plant winter wheat and look for storage capacity
- Winter crops: expected only 40-50% of the last year areas
- Grain Deal with Turkey/UN successful? partially:
 - Export is going out
 - But prices do not increase

5. Concluding remarks and threats to global food security

- Agricultural outlook:
 - 2022 harvest of grains and oilseeds: 25-37 mln t less than in 2021
 - Winter crop planting is delayed: only 40% of the last year area
 - => there will be even less harvest/food from Ukraine available
- Global market have remain tight and 2022/23 global stocks might even drop
- Capacity to replace the expected missing exports from Ukraine in the world are limited
- => Every ton of grains from Ukraine will count this and next season

Thank you!
ДЯКУЮ!
STAND WITH UKRAINE!!!

onivievskyi@kse.org.ua

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https://t.me/oleg_nivievskyi