

November 10, 2022 / Update #12

United States Ambassador to the United Nations visits Ukraine

- On November 8, Linda Thomas-Greenfield, United States Ambassador to the United Nations, visited Ukraine, including sites highlighting the importance of Ukraine's Black Sea exports to global food security. AGRI-Ukraine implementing activity, Agriculture Growing Rural Opportunities (AGRO), welcomed the ambassador at KyivMlyn, a storage and milling facility in Kyiv where the Ambassador observed grain loading and milling and the control and management systems. "KyivMlyn did not stop working even in the beginning of the war, when fighting raged around Kyiv," said KyivMlyn's commercial director, Kostiantyn Ignatenko. However, Ukraine's overall processing has dropped 20 to 30 percent.



Annually, milling enterprises produce more than 1.4 million metric tons (MT) of flour, much of which was exported. In KyivMlyn's case, most of their exports went mainly to Northern Africa.

Russia's war sharply reduced the amount of wheat that flour and bread importing countries can access, creating economic uncertainty for Ukraine's farmers and production challenges elsewhere. For example, on the Ambassador's recent trip to Uganda, she saw local millers suffering from a lack of wheat availability. Reduced exports have constrained Ukrainian farmers' incomes, leaving them without sufficient resources to plant for the next season. AGRI-Ukraine is helping farmers access financing and providing inputs to help farmers overcome these challenges. Ambassador Thomas-Greenfield saw the critical role that AGRI-Ukraine is playing in Ukraine at a time of increased concern about Russia's commitment to the grain deal.

Implementation Progress

USAID's Agriculture Growing Rural Opportunities (AGRO), Credit for Agriculture Producers (CAP), and Economic Resilience Activity (ERA) implement AGRI-Ukraine. Highlights of its progress are:

Drying, Storage, and Processing: 1.7 MMT grain storage program rollout continues. In the last week, AGRO signed two more grain storage services subawards that will reach farmers in Poltava, Sumy, and Kharkiv and Lviv oblasts, and delivered materials and equipment to two other grantees that will serve 18 oblasts. With these, the first four sub-awards on grain storage have been signed. Thus far, subawardees have packed 5,300 metric tons (MT) of grain. AGRO is signing the next agreements with providers in Dnipropetrovsk, Kirovohrad, and Rivne oblasts.

Access to Financing: CAP advocates for right-sized regulations to optimize credit union operations. CAP is engaging the National Bank of Ukraine (NBU), the Ukrainian credit union sector regulator, to advocate for applying principles of proportionality to regulation, which entails tailoring regulations to the size, risk, and complexity of credit unions. This is especially important in wartime to ensure credit unions can continue their operations and serve their members. In late October, CAP consultants provided NBU with recommendations and examples of precedents for such proportionality. The recommendations will be instrumental for the NBU while developing both a new and transitional regulatory framework for credit unions.

Export Logistics and Infrastructure: ERA launches rail capacity expansion pilot. ERA is supporting Ukrainian exporter, Agronimo, to pilot Mega Big Bags for grain transport in widely available open-top gondola cars. Agronimo had a successful trial this week and will continue to test the bags for its grain shipments.

Profile on Progress from the Field: AGRO helps vegetable growers support food security. Ivan Dovhanyk is a farmer in Zibolky, Lviv Oblast, where he grows grains and vegetables. Due to Russia's invasion of Ukraine, he canceled plans to buy farm equipment, but decided to plant more vegetables to help his country and ensure food security. He focused on the borscht vegetable set (beets, carrots, cabbage, and potatoes) because there is always demand and they grow well. AGRO provided free

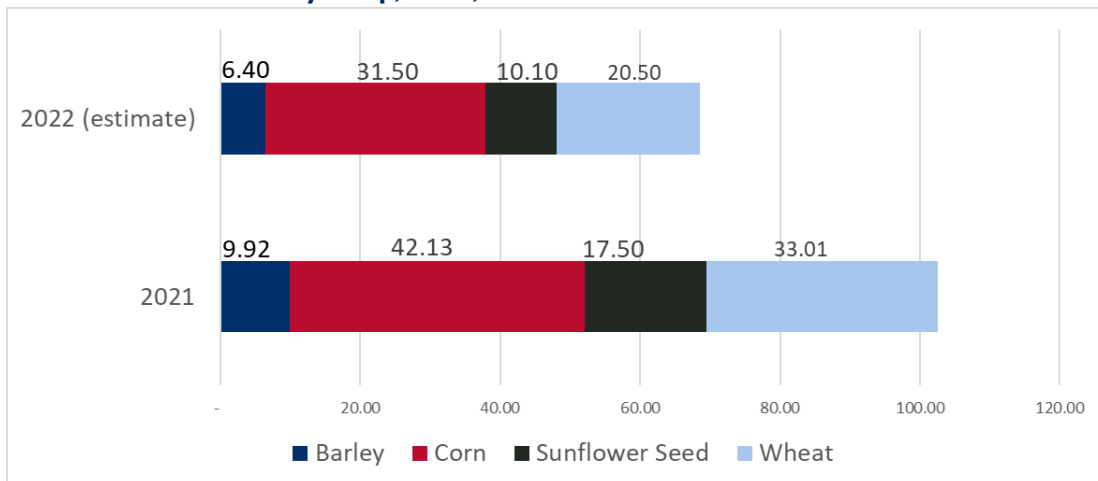
seeds, enabling him to produce 40 MT of beets, 25 MT of carrots, and 50 MT of potatoes, with 60 MT of cabbage expected. “No matter how uncertain the situation in the spring was, I planted a lot of vegetables because I wanted them to be available to everyone. We had a good harvest and now there is enough for my family, to sell, and to share with those who need it,” says Ivan. He is one of 4,108 farmers reached by AGRO’s subaward to the Ukrainian Berry Association to provide households and small farmers with high-quality vegetable seeds and technical support, enabling them to grow 5,000 tons of vegetables, which is enough to feed about 44,000 people.



Production and Exports

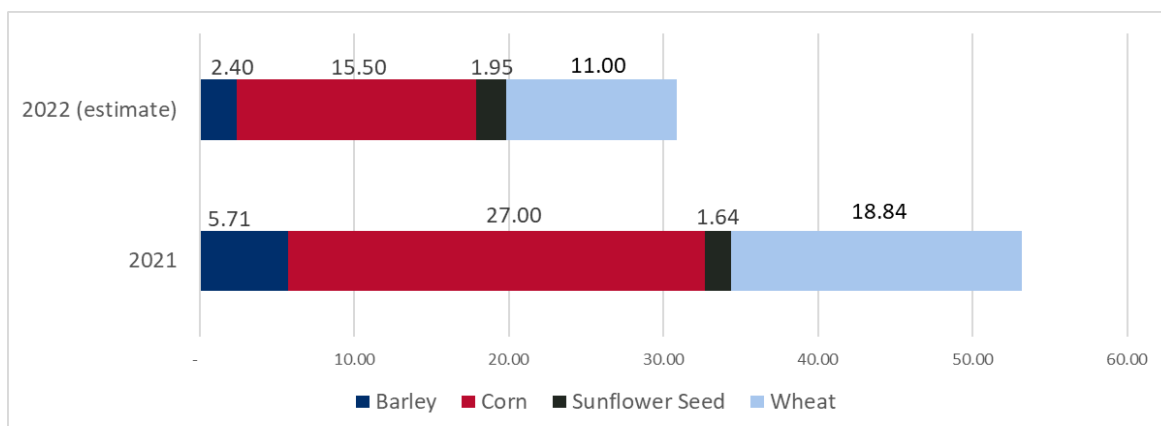
Production: Ukraine’s farmers completed harvesting early grains and continue to sow winter crops. **Figure 1** shows USDA’s November estimates for 2021 and 2022 production for four key commodities.¹ USDA estimates that 2022 production will be 64.5 to 74.8 percent of 2021 output per crop, with total production across crops being 66.8 percent of 2021 production.

Figure 1: Ukraine Production by Crop, MMT, 2021-2022



Exports: Per the Black Sea Initiative Joint Coordinating Centre (JCC), as of November 9, 438 ships had left Ukrainian ports with 10,168,385 MT of grains and oilseeds. **Figure 2** shows USDA’s November estimates for exports for key commodities for the 2021 and 2022 marketing years (July-June), with overall 2022 exports for these crops averaging 58 percent of 2021 exports.

Figure 2: Ukraine Exports by Crop, 2021-2022 Marketing Years, MMT



Resources:

- [AGRI-Ukraine webpage](#)
- [AGRO Facebook](#)
- [CAP Facebook](#)
- [ERA Facebook](#)
- [Ukraine Exports Dashboard](#)
- [JCC Black Sea Port Movements](#)
- [USDA World Agricultural Supply and Demand Estimates](#), November, 2022