

January 6, 2023 / Update #17

On January 2nd, the New York Times highlighted the impact Russia’s war on Ukraine has had on global food security, featuring USAID. The [article](#), “How Russia’s War on Ukraine Is Worsening Global Starvation” provided an extensive look at the continued effects of Russia’s aggression, including the closure of ports, a growing backlog of ships awaiting inspection in the Black Sea, energy attacks that cripple export and agribusiness, a reduction in planted area, damage to processing infrastructure, and global food, fertilizer, and fuel price increases triggered by the resulting reduction in supplies. The article quoted Administrator Power, DA Coleman, and Secretary of State Blinken in addition to Kees Huizinga, who participated in a USAID-organized media roundtable when USAID funded his travel to the US to receive an award from the Global Farmer Network. It also cited information from AGRI-Ukraine and the Bureau for Resilience and Food Security,, and referenced the US’s food security crisis response, including AGRI-Ukraine.

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:

Inputs: AGRO procuring fertilizer and seed to sustain next planting season. AGRO released a request for applications for sub-awardees to distribute fertilizer and sunflower seeds to micro, small, and medium farms (MSMEs, up to 500 ha), filling critical gaps in winter and spring production. AGRO plans to provide fertilizer and seed to at least 6,800 MSMEs (at least 20 percent women-led/owned), and support consultations, training, and guidance on production and fertilizer use for 3,000 MSMEs.

Drying, Storage, and Processing: Storage progressing through spring. As of January 3, storage service provider sub-awardees have packed 293,000 tons of grain and oilseed in sleeves and modular warehouses and distributed over 90 percent of storage sleeves. Winter rains have slowed harvesting and packing, but AGRO anticipates 100 percent of grain to be packed by March. AGRO also held a pre-application seminar for its Annual Program Statement “Supporting MSMEs in the grain sector in increasing grain storage and drying capacities.” AGRO intends to award up to \$5 million across 10 sub-awards.

Access to Financing: AGRO supporting expanded online financing apps. AGRO issued a sub-award to Fintech Pro, LLC to support the development of 14 new modules that will significantly simplify and speed up a farmer’s interactions with financial institutions when seeking agricultural loans and state grants. The sub-award is expected to enable 200 applicants to receive funding of at least \$10.7 million. AGRO also signed a sub-award with Uteka, LLC to develop software modules to prepare farms’ financial statements and business plans, making it easier to create required documents for financing applications.

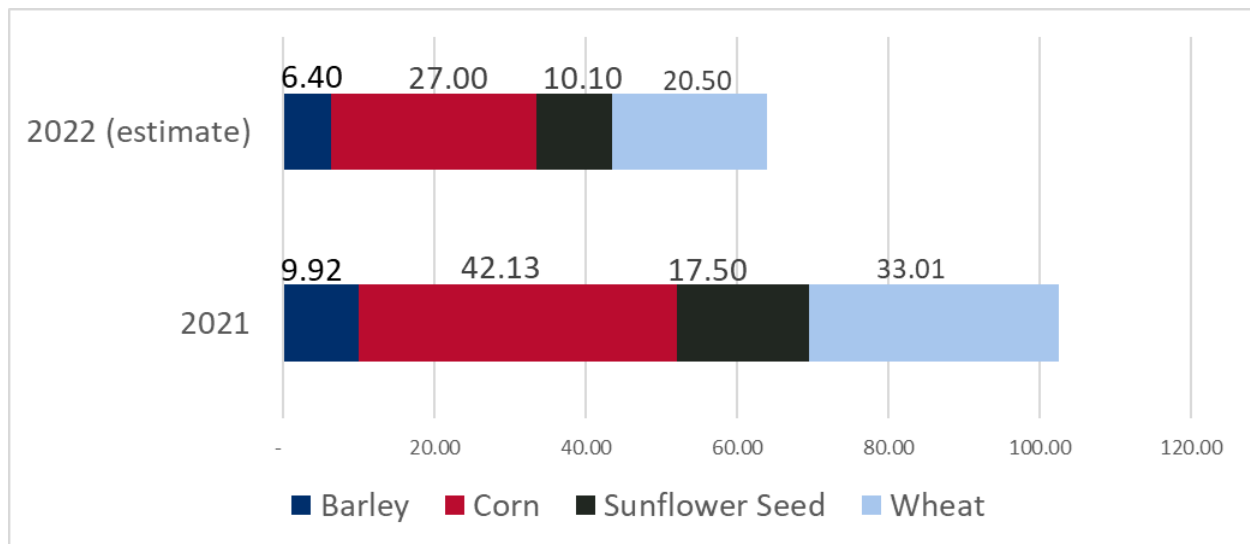
Export Logistics and Infrastructure: ERA releases first transshipment procurement. ERA released a request for proposals (RFP) for its first transshipment co-investment partnership on December 27. It focuses on transshipment equipment for the IZmail port, and will help increase export speed and volumes by making the process of transferring grain across transport modalities faster and more efficient. ERA also is reviewing responses to its RFP for Mega Big Bags. The bags enable grain transport in widely available open-top gondola cars, allowing Ukraine Railways to increase grain carrying capacity in the face of a limited supply of grain cars, and the high costs and long lead times involved in getting new ones made.

Profile on Progress from the Field: AGRO ensures input safety and integrity. In 2022, AGRO supported the creation of an information portal to help farmers use agrochemicals and fertilizer properly and effectively. The portal provides up-to-date information on the safe use of agrochemicals and fertilizers, calculates the dosage needed for a given use, checks the legality of products in Ukraine, the European Union (EU), and the U.S., and determines the maximum allowable pesticide in products. From September to December 2022, the portal had more than 55,000 views and more than 200 farmers registered for email updates. The portal proved its value when an unregistered pesticide had a powerful advertising campaign on Ukrainian Facebook, promoting it as a miracle biological agent that destroys pests and weeds. Users searched for it on the portal (more than 16,000 times), called, and complained that the pesticide was not working. An analysis of a picture of the pesticide packaging determined it corresponded to a known pesticide that is prohibited. As a result, the online store selling the banned pesticide was blocked.

Production and Exports

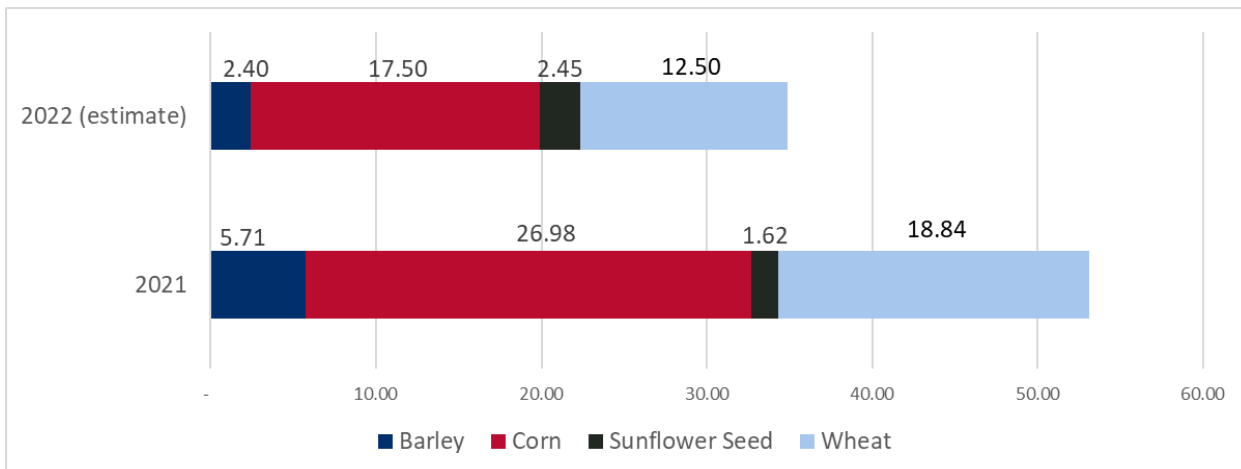
Production: Ukraine’s farmers completed harvesting early grains and continue to sow winter crops. **Figure 1** shows USDA’s December production estimates for 2021 and 2022 marketing years (July-June) for four key commodities.¹ Overall, estimated production for the 2022/23 marketing year is expected to be 62 percent of 2021/22 production, ranging from 57.7 percent for sunflower seed to 62 percent for wheat, and 64 percent for barley and corn.

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



Exports: Per Ukraine’s Ministry of Agrarian Policy and Food, from March to December 31st, Ukraine exported 38,940,352 MT of barley, corn (15.56 MMT), rapeseed, sunflower seed/oil (~5.9 MMT), soybeans/oil, wheat (~8.56 MMT), and oil cake. The Black Sea Grain Initiative (BSGI) Joint Coordination Centre (JCC) reports that as of January 6, 628 vessels have departed Ukrainian ports with 16,832,561 MT of grains, oilseeds, and derivatives (e.g., edible oil, meal, bran). **Figure 2** shows USDA’s December estimates for exports for key commodities for the 2021 and 2022 marketing years (July-June). Overall, estimated exports for the 2022/23 marketing year are expected to be 65.6 percent of 2021/22 production, including 42 percent for barley, 65 to 66 percent for corn and wheat, and 151 percent for sunflower seed.

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](#), December 2022