

# AGRI-UKRAINE

## AGRICULTURE RESILIENCE INITIATIVE – UKRAINE

*Helping Ukraine Feed the World*

**April 15-28, 2023 / Update #27**

**US Ambassador to Ukraine visits AGRI-Ukraine transshipment co-investment sites:** On April 26, Ambassador Bridget Brink, Ukraine's Deputy Prime Minister Kubrakov, and USAID/Ukraine Mission Director Jim Hope visited Ukraine's IZMAIL and RENI ports, which provide access to Romanian Black Sea ports via the Danube. These ports provide a critical alternate trade route but must expand capacity to handle increased demand, especially for grain and oilseed. The group met with Nibulon and Kernel, which are co-investing in upgrades with USAID under AGRI-Ukraine's Economic Resilience Activity. Nibulon and Kernel are moving forward on their investments and expressed appreciation for USAID's partnership.

**European Commission (EC) reaches an agreement with Hungary, Poland, Slovakia, Bulgaria, and Romania on Ukrainian agricultural imports.** Concerns about Ukrainian imports creating a glut and pushing prices down for farmers led Bulgaria, Hungary, Poland, and Slovakia to ban imports other than transit shipments, which the EC strongly criticized. [On April 28](#), after talks with the four countries and Romania, the countries agreed to drop any unilateral import bans while the EC agreed to offer \$110 million to compensate farmers affected by Ukraine's imports, allow "exceptional safeguard measures" for wheat, maize, rapeseed, and sunflower seed while investigating such measures for sunflower oil, and facilitate exports to third countries via solidarity lanes.

**Russia has steadfastly said it will not continue the Black Sea Grain Initiative past May 18**, unless its demands to facilitate its own food and fertilizer imports are met, including resuming operation of its Odesa pipeline, reconnecting to the SWIFT banking system, and lifting restrictions on insurance and port access. Russia said it would not allow ship registrations for vessels that will not complete their participation in the initiative by May 18 and would pull out of the deal if the G7 instituted a ban on exports to Russia. Russian inspectors also refused to agree on vessel movements for April 26, so no vessels left ports that day, and refused to allow inspections on April 11 and April 18. The G7 released a statement calling for the deal's "extension, full implementation and expansion" and condemning Russia's efforts to stymie it. US Secretary of State Anthony Blinken and UN Secretary-General António Guterres met on April 27, with the Initiative among their topics of discussion.

### Implementation Progress

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

**Inputs: AGRO input distribution continues.** AGRO has distributed sunflower seed and fertilizer to 3,861 small and medium farmers. AGRO also is supporting the distribution of vegetable and corn seed donated by Bayer, Enza Zaden, Lark Seeds, Nunhems, Hazera, Seminis, Rijk Zwaan and others to about 40,000 household producers in liberated communities. Its distribution sub-awardee conducted a test run with Bayer-donated DEKALB corn seeds, which it will provide to 700 farmers in 12 oblasts in May, and has been distributing donated seed from other companies. AGRO supported online sessions on sowing and fertilizer use to help producers make the most of these inputs.

**Access to Financing: FSR supporting Government's Guarantee Fund for Smallholder Agriculture.** FSR and the Ukrainian Ministry of Agrarian Policy and Food finalized its support for the government's World Bank-funded Partial Credit Guarantee Fund, which will offer portfolio guarantees to banks to cover credit risks for small farmers. FSR will provide training for Fund and partner bank staff, help complete regulatory documents, and link Fund and bank staff to relevant expertise. AGRO sub-awardees held information sessions to help farmers learn about state grant programs for horticulture, berry and wine grape production, and greenhouse production, and online tools that help farmers develop business plans and apply for financing. CAP coordinated a presentation on a deposit guarantee system for credit union members, with representatives of the Deposit Guarantee Fund (DGF) of Ukraine.

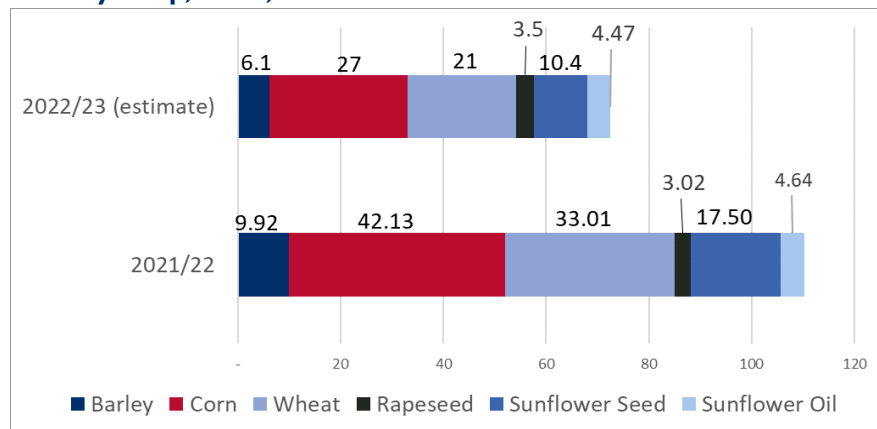
**Drying, Storage, and Processing: Storage Support Expands.** AGRI-Ukraine’s storage project has helped farmers pack and store 777,227 metric tons (MT) of grain. In addition, AGRO is preparing to sign subawards with 11 out of 12 elevators selected for co-investments that will develop 130,000 MT of grain storage capacity and 287,000 MT of drying capacity. AGRO is also accepting applications for sub-awards to support potato production and processing, and the processing of grains, oilseeds, and legumes into food, fodder, industrial products and biofuel.

**Export Logistics and Infrastructure: ERA pivoting Mega Big Bags in the face of import bans.** ERA is engaging with exporters that wish to pilot Mega Big Bags (MBBs) for grain transportation to allocate the bags according to expected export volumes. Due to temporary import bans in neighboring EU countries, ERA is exploring pivots such as using MBBs for loading, elevator, and ports in addition to rail. ERA is completing procurement contracts for its transshipment co-investments with Nibulon and Grain Alliance, which will make the loading, unloading and transfer of grain across transit modalities more efficient, and evaluating proposals phytosanitary analyses equipment and supplies for the Food Safety and Consumer Protection labs.

## Production and Exports

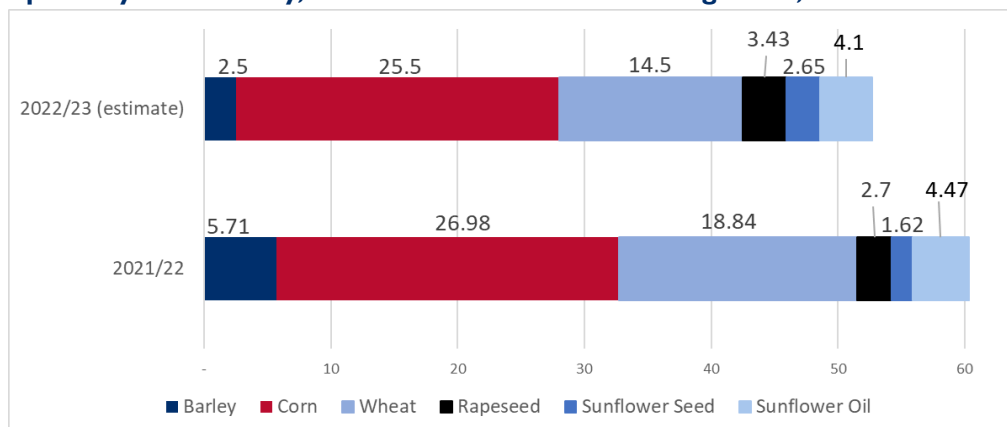
**Production:** Ukraine’s farmers have completed winter planting, harvested almost all the late crops, and are on pace with a typical year for spring planting. **Figure 1** shows USDA’s April production estimates for 2021/22 and 2022/23 marketing years (July-June).<sup>1</sup> Overall, estimated production for the 2022/23 marketing year is expected to be 65.8 percent of 2021/22.

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



**Exports:** The Black Sea Grain Initiative (BSGI) Joint Coordination Centre (JCC) reports that as of April 28, 2023, 924 vessels have departed Ukrainian ports with 29.2 metric tons of grains, oilseeds, and derivatives (e.g., edible oil, meal, bran). **Figure 2** shows USDA’s April estimates for exports for key commodities for the 2021 and 2022 marketing years (July-June).<sup>1</sup> Overall, exports for 2022/23 are expected to be 87 percent of 2021/22 exports.

**Figure 2: Ukraine Exports by Commodity, 2021/22 and 2022/23 Marketing Years, MMT**



<sup>1</sup> USDA Production, Supply and Distribution Database <https://apps.fas.usda.gov/psdonline> (accessed 4/11/23)