

An Overview of Agricultural Production in Ukraine: Present and Future Perspectives

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Agriculture is one of Ukraine's main economic sectors, and both the population and government continue to support agricultural production and trade.

Ukraine's agricultural producers supply most of the food products that the country needs and also supply agricultural products to many countries around the world. The EU, Africa, the Middle East, and Asia are the main export destinations. According to government data, agricultural production and trade supplied over 10% of Ukraine's GDP in 2023 (Interfax 2024).

Ukraine is located in the eastern part of the European continent. The country is over 230,000 square miles in size. According to government data, over one-third of the country's land resources are engaged in agricultural production.

Ukraine produces grains, oilseeds, vegetable oils, tree nuts, meat, fish, dairy products, fruits and vegetables, herbs, and other agricultural products. The main crops grown in Ukraine are sunflower seed, wheat, corn, soybeans, rapeseed, barley, and sugar beets. Ukraine also has large pork, poultry, and egg production, as well as livestock and dairy production.

Since the beginning of 2022, when Russia started a full-scale war in Ukraine, agricultural production and trade in the country have changed significantly.

According to the State Statistics Service of Ukraine, in 2022, areas under crop production decreased by 25% compared to 2021 (MAPFU 2024a). Some land has been occupied by Russia, and some could not be used by agricultural producers because of the war's impacts. During 2022–2023, some agricultural land was returned to agricultural production, while about 15% remained occupied by Russia (Bogonos et al. 2023).

Production and trade activities have been changing and adjusting due to the war's effects. Access to resources such as fertilizer and fuel has become limited for Ukrainian agricultural producers from the beginning of 2022, which impacts agricultural production and trade, and human resources have also been limited during this time.

Transportation of agricultural products in the country and exports have been an area of concern during the last two years. Some property and transportation routes were damaged, and some commodities were lost. Export channels did work the way they used to prior to 2022. Export operations had to be stopped for some periods of time over the last two years due to safety concerns

for people and cargo. New routes and schedules for cargo logistics were developed and continue to be adjusted due to the ongoing war. Transportation costs have increased significantly in Ukraine since the beginning of 2022.

Overall population of the country has decreased during the war. Meat consumption has been decreasing and shifting towards poultry consumption because this meat is cheaper than pork and beef. These factors have negatively impacted the agricultural sector in Ukraine in 2022–2024.

However, Ukrainians have been strong and persistent during the war with Russia and have continued production and exports of agricultural commodities and food products. Ukraine’s government has been supporting the agricultural sector in many ways and considers it one of the country’s top priorities.

Ukraine’s agricultural production plays an important role in the world’s food security. Ukraine supplies a major share of a number of agricultural commodities in the world marketplace. The data below shows Ukraine’s ratings in the world market and in the EU’s marketplace in 2023 (tables 1 and 2) (MAPFU 2024b).

Table 1. Ukraine’s Ratings in the World Marketplace of Agricultural Commodities in 2023

Ag Commodity	World Marketplace Rating
Sunflowerseed Oil	1
Rapeseed	3
Sorghum	4
Walnuts	4
Corn	4
Sunflowerseed	5
Barley	5
Rapeseed Oil	6
Soybeans	6
Wheat	6
Soybean Oil	7
Poultry	7

Butter	9
Soybean Meal	10
Sugar	21

Source: MAPFU (2024b).

Table 2. Ukraine's Ratings in the Marketplace of Agricultural Commodities in the EU in 2023

Ag Commodity	Ukraine's Share in the EU's Imports	EU Marketplace Rating
Sunflowerseed Oil	89%	1
Corn	62%	1
Eggs Deshelled	45%	1
Eggs in Shell	45%	1
Wheat	42%	1
Sunflowerseed Oil	35%	1
Soybean Oil	33%	1
Barley	31%	2
Rapeseed	31%	2
Rapeseed Oil	29%	1
Sugar	19%	2
Soybeans	9%	3

Source: MAPFU (2024b).

Ukraine's agricultural production of main crops decreased in 2022 and 2023 compared to the previous years (figure 1) (MAPFU 2024b). Ukraine's government reported a reduction in agricultural land use during these two years due to the war's impacts, which has significantly affected the production of crops in the country. Favorable weather conditions were the main factor that led to an increase in the production of crops in 2023 compared to 2022.

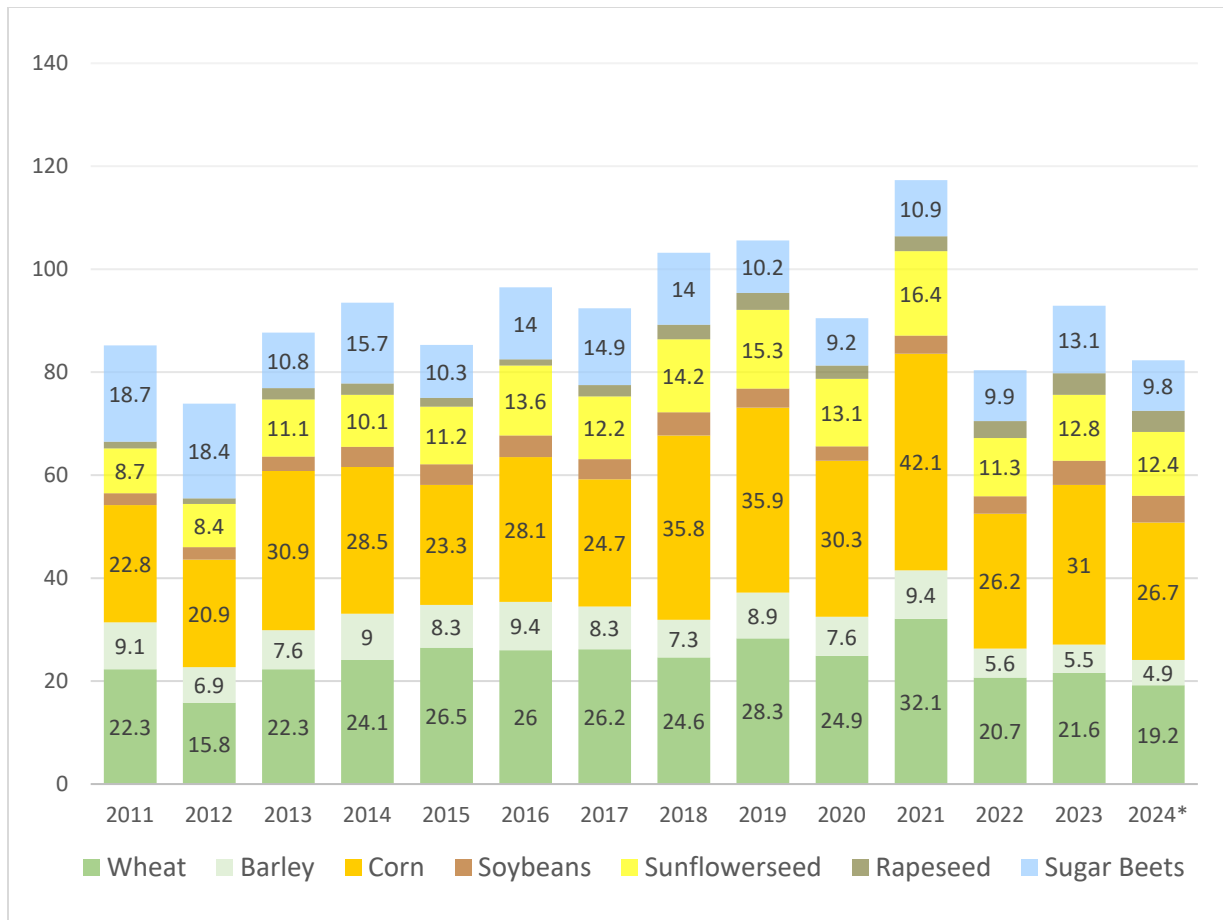


Figure 1. Production of main crops in Ukraine (million tons), 2011–2024.
Note: 2024 forecasts are from Ministry of Agrarian Policy and Food of Ukraine.
Source: SSSU (2024); MAPFU (2024).

According to preliminary estimates of the Ministry of Agrarian Policy and Food of Ukraine, in 2024, the gross production of grains and oilseeds will be about 74 million metric tons (MMT)—about 52.4 MMT of grains and 21.7 MMT of oilseeds (MAPFU 2024c).

Wheat and barley areas planted were reduced the most in Ukraine in 2022–2024. At the same time, areas under rapeseed and soybeans have been increasing (figure 2) (SSSU 2024; MAPFU 2024b). Farmers are reporting higher profit margins for oilseed crops compared to grains. Sunflower seed is a high-profit crop and has traditionally been produced in Ukraine in large quantities. However, it depletes the soil significantly and much more than other crops. Thus, Ukrainian farmers have started giving more preference to oilseeds such as rapeseed and soybeans in their crop rotation schedules.

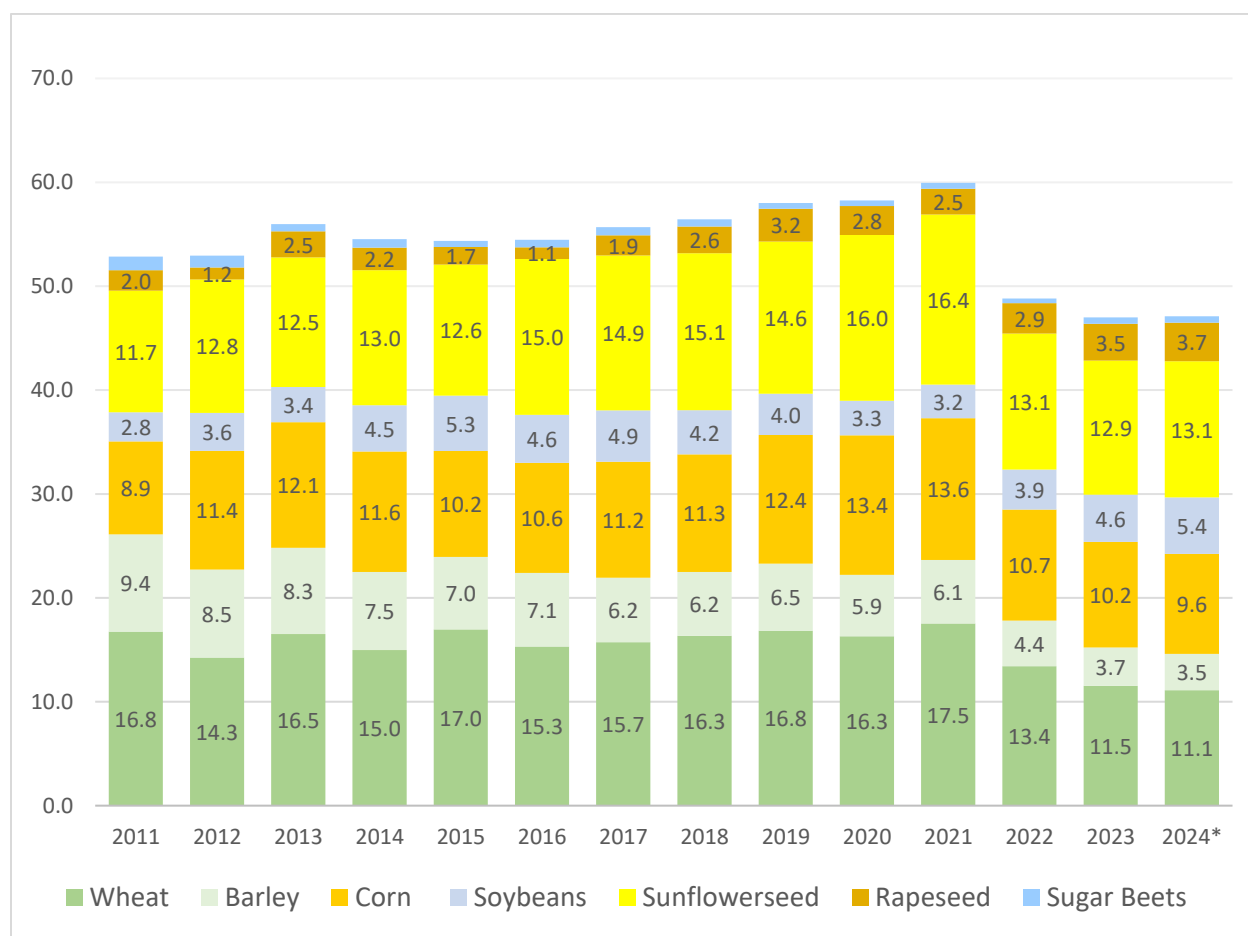


Figure 2. Areas planted under major crops in Ukraine (million acres), 2011–2024.

Note: 2024 forecasts are from Ministry of Agrarian Policy and Food of Ukraine.

Source: SSSU (2024); MAPFU (2024).

According to the Consortium Agriview of Ukraine (Bogonos et al. 2023), the country is expected to continue increasing agricultural production in the future. When making projections for Ukrainian agriculture for 2024–2033, the Consortium made an assumption that the war with Russia would stop at the end of 2024. In this case, Ukraine can gradually resume agricultural production in areas that were occupied by Russia or impacted by the war. The population of the country would start slowly increasing after the end of the war. Domestic consumption of agricultural products would also start gradually increasing, reflecting the trend in population. Ukraine would continue supplying agricultural commodities and food products to the world marketplace.

Domestic agricultural commodity prices reflect the world market prices as most of the grains, oilseeds, and products produced in Ukraine are exported. Ukrainian agricultural producer profit

margins have been lower in the last two years as production and logistics costs in the country have gone up due to the war.

Animal production has been declining due to the declining demand from local consumption. Poultry and eggs are chosen more often by local consumers rather than pork and beef due to the prices of these products.

Agricultural crops and grain and oilseed products are anticipated to see the most growth in production and exports in the next ten years. Favorable market conditions and Ukraine's ability to produce and deliver are key factors.

Of all the main crops grown in Ukraine, rapeseed production is expected to increase the most. This growth is anticipated due to increasing planted area and increasing yields. Most of the rapeseed produced in the country is projected to be exported.

The Consortium Agriview of Ukraine (Bogonos et al. 2023) is anticipating that Ukraine will more than double the production of rapeseed in the next ten years (figure 3). This oilseed is one of the most profitable for Ukrainian farmers, and the market opportunity is favorable.

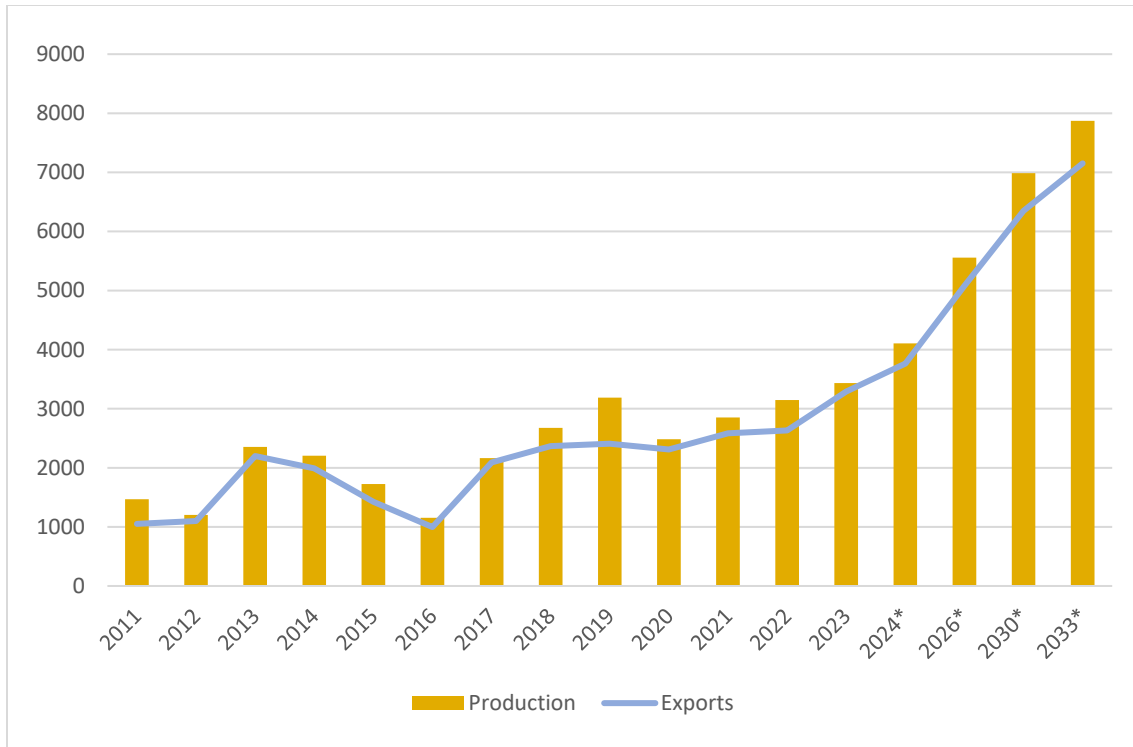


Figure 3. Ukraine rapeseed production and exports (thousand tons).

Note: Forecasts made by Consortium Agriview of Ukraine.

Source: SSSU (2024); Bogonos et al. (2023).

Sunflower seed production is also anticipated to continue growing in Ukraine, though not as much as rapeseed production. Sunflower seeds are almost all processed in the country, as Ukraine has the capacity to do so. A major share of sunflower oil is exported. Sunflower oil production and exports are projected to increase by about 50% in the next ten years (figure 4).

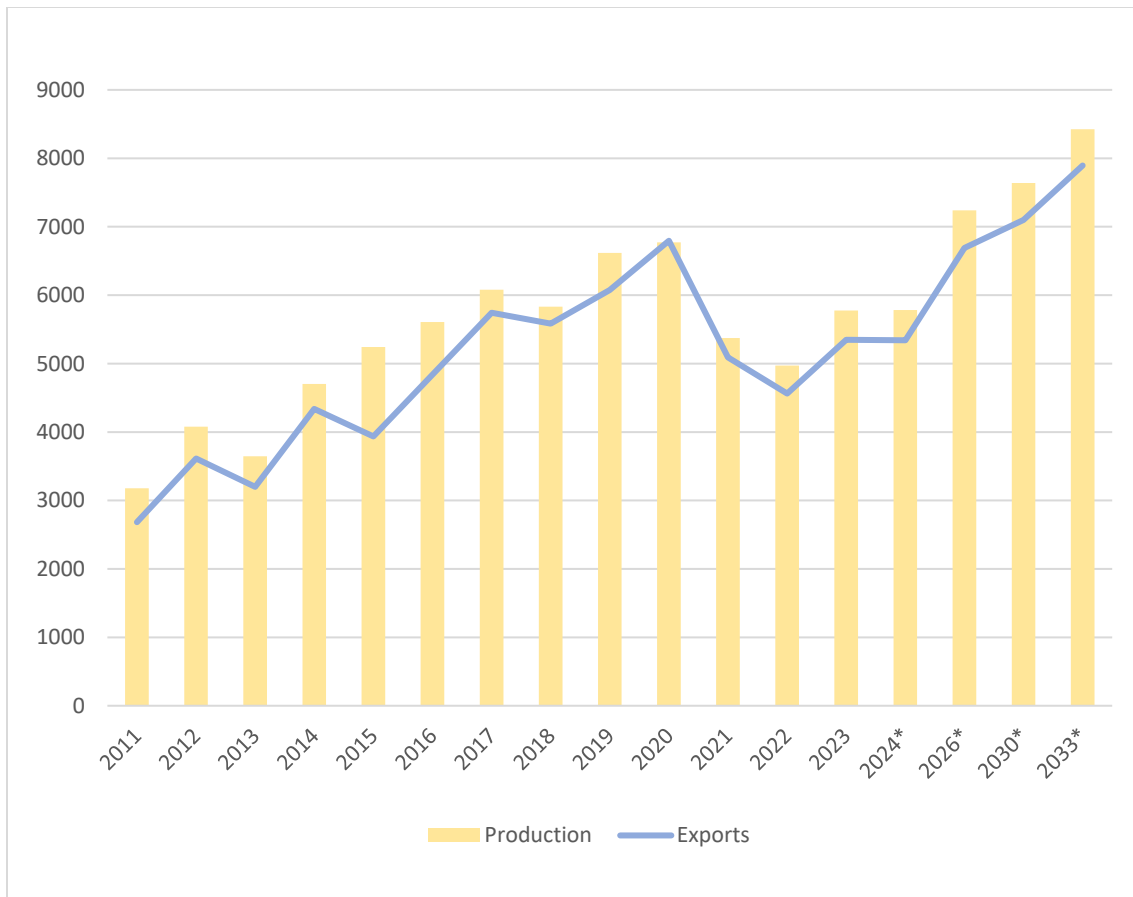


Figure 4. Ukraine sunflower seed oil production and exports (thousand tons).

Note: Forecasts made by Consortium Agriview of Ukraine.

Source: SSSU (2024); Bogonos et al. (2023).

Ukraine’s soybean production and exports are anticipated to continue growing until about 2026. Then, they are expected to slow down and decrease a little (figure 5) as more land is expected to be given to the other oilseeds in the country. Soybeans are found to be more favorable for the soil and crop rotation schedules in Ukraine. However, the profitability of this crop is not as high as that of rapeseed and sunflower seed. Domestic consumption of soybeans is expected to grow slowly as the demand from animal farms is anticipated to be increasing slowly while the country is recovering after the end of the war.

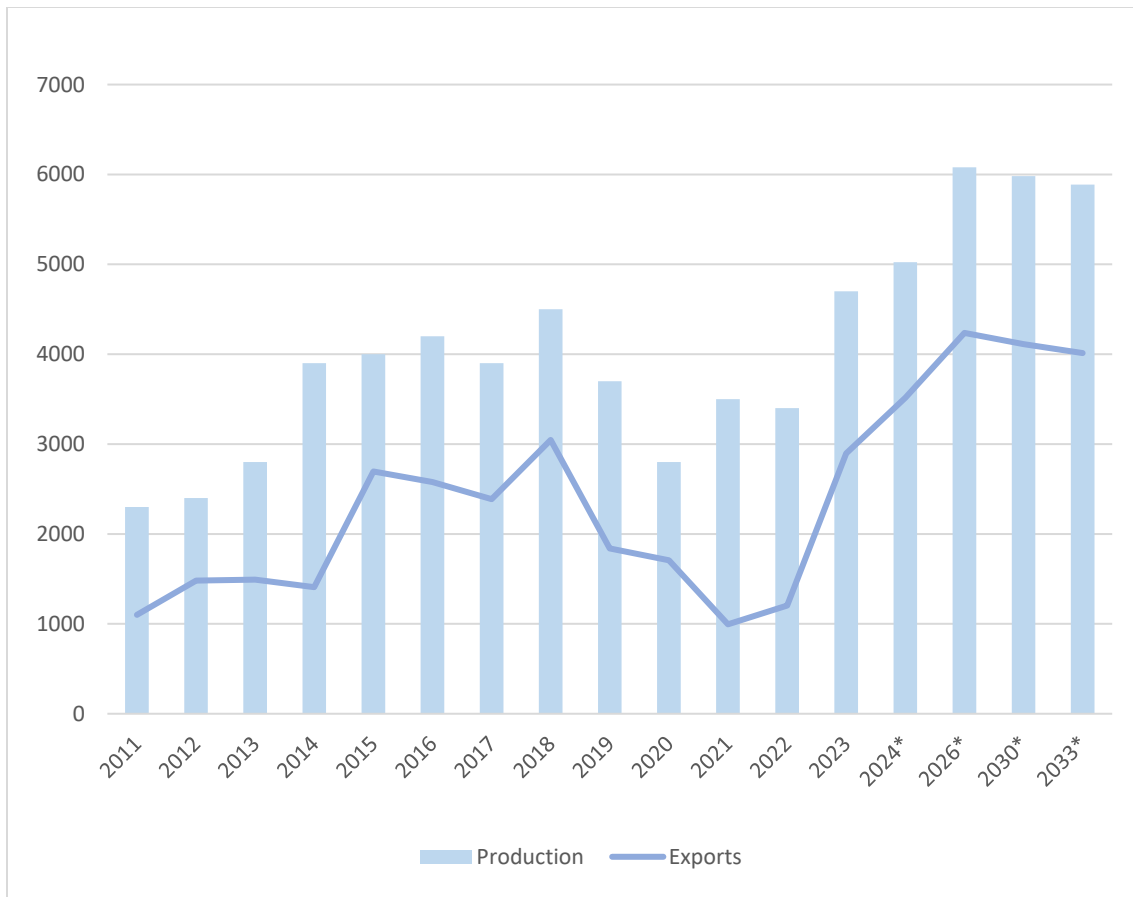


Figure 5. Ukraine soybean production and exports (thousand tons).

Note: Forecasts made by Consortium Agriview of Ukraine.

Source: SSSU (2024); Bogonos et al. (2023).

Production and exports of corn in Ukraine are projected to increase gradually after the end of the war (figure 6). The trend in production is expected mostly due to the increase in yields as better access to fertilizer and employment of usual production practices become available when the war stops. Areas planted under corn are not expected to grow much in the next ten years as oilseeds would be favored more in the crop rotation schedules in Ukraine due to their higher profitability. Domestic consumption of corn is anticipated to grow gradually, reflecting the slowly growing demand from animal farms.

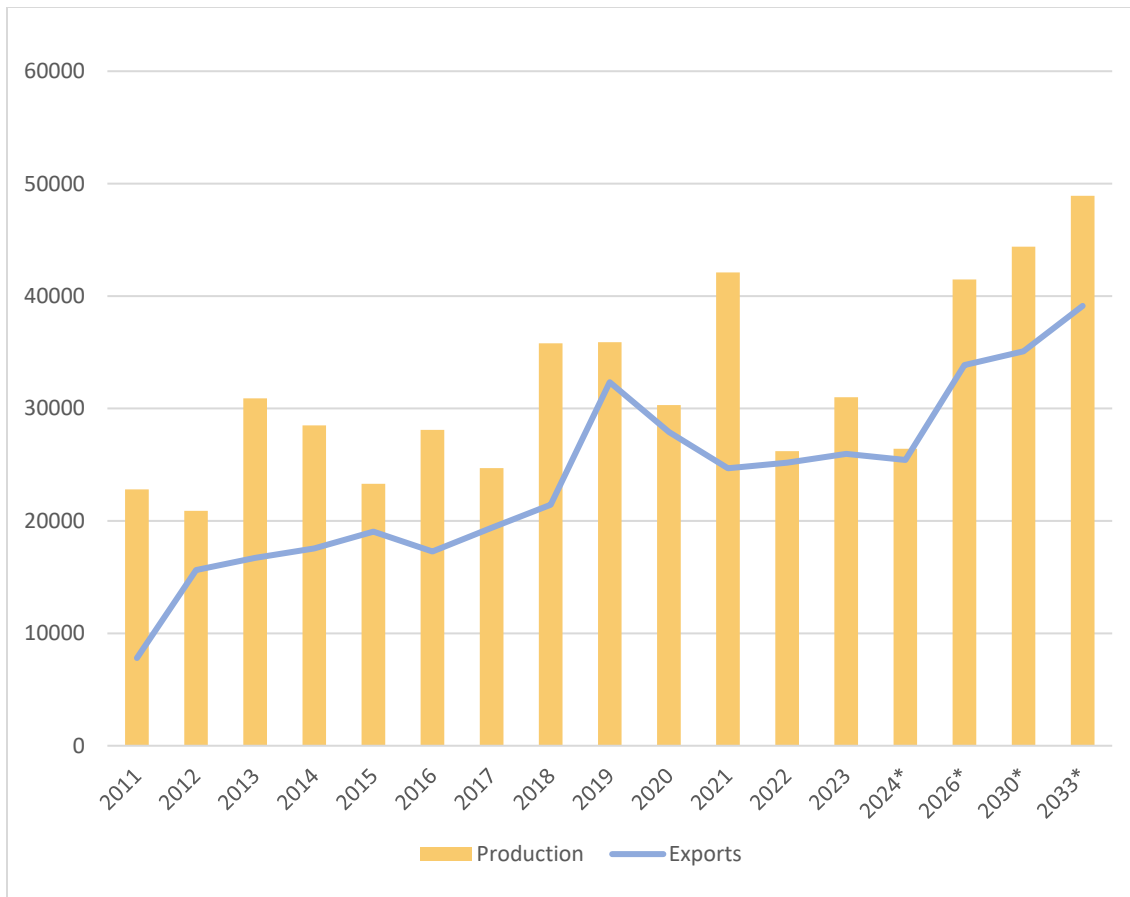


Figure 6. Ukraine corn production and exports (thousand tons).

Note: Forecasts made by Consortium Agriview of Ukraine.

Source: SSSU (2024); Bogonos et al. (2023).

Wheat production is expected to grow somewhat after the end of the war, mostly due to the anticipated increase in yields. Then, a downtrend is expected for wheat production and exports (figure 7) as oilseeds are projected to expand in their share in land use in the next ten years.

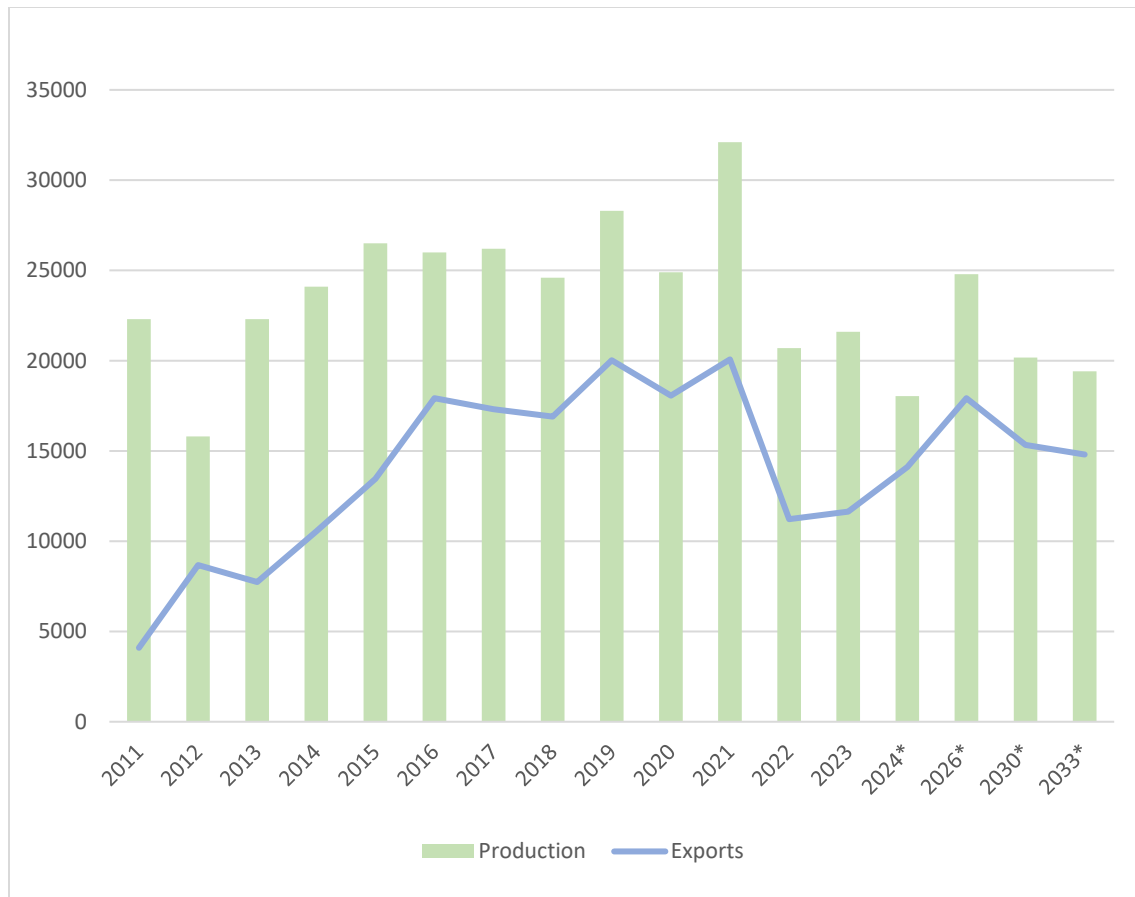


Figure 7. Ukraine wheat production and exports (thousand tons).

Note: Forecasts made by Consortium Agriview of Ukraine.

Source: SSSU 2024; Bogonos et al. 2023.

In conclusion, Ukraine is looking to continue supplying the world market with agricultural products as it did before and during the war. Production and exports of rapeseed, sunflower oil, and corn are expected to grow in the next ten years if the war with Russia stops by the end of 2024. Production and exports of soybeans and wheat are anticipated to grow a little after the end of the war and then start gradually declining as the other crops go up. Domestic consumption of agricultural products may go back to usual and start growing slowly as the population starts increasing after the end of the war.

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