



Impacts and consequences of the war in Ukraine on the global farming community

A TECHNICAL ASSESSMENT OF THE ONGOING SITUATION
AS OF APRIL 4th, 2022

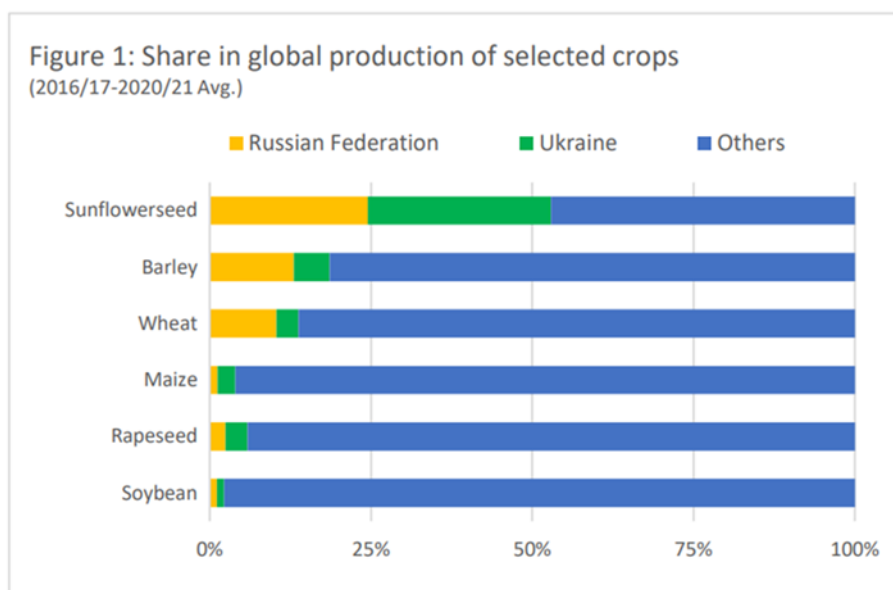
Introduction

The humanitarian crisis we are sadly witnessing in these days is part of a scenario already severely compromised by the health crisis and the climate emergency. The war in Ukraine comes at a time when the world is already heavily affected by a two-year pandemic, with major repercussions on the agricultural sector. The effects involve severe economic and social shocks especially for the farming community, further amplifying inequalities and undermining the proper functioning of international agri-food value chains. Indeed, the impact of this conflict will reverberate across continents and populations, posing a risk to global food security as well as, serious consequences on the community of farmers worldwide.

Market instability

The implications of a dramatic event in a specific geographical area can have unexpected consequences in distant parts of the world, setting the stage for serious and lasting crises. The ongoing conflict in Ukraine, undermining the production system, represent a further disruption of the food value chain globally. Both Russia and Ukraine play a key role in terms of global food production and supply, ranking as net exporters of agricultural products. Russia plays a leading role in global fertilizer market and excels in wheat production, of which it is the world's largest exporter, followed by Ukraine at the fifth place. Together they account for 19% of world barley production, 14% of wheat production and 4% of maize, for a total of around 30% of the global cereal market. They are also the main suppliers of rapeseed and account for 52% of the global sunflower oil export market¹.

¹ Trade Data Monitor, FAO calculations, information update as of 8 March 2022



Source: FAO XCBS system

<https://www.fao.org/3/cb9013en/cb9013en.pdf>

Prior to the conflict, FAO estimated that Ukraine and the Russian Federation would export about 7% of total world wheat trade in 2021/22. Similar forecasts apply to maize exports, amounting to about 14 million tonnes from Ukraine and 2.5 million tonnes from Russia. This would have made Ukraine the world's third largest maize exporter in 2021/22².

The above-mentioned data indicate the extent of the potential damage that the conflict may entail. Shortages of raw materials - caused by the ongoing war - portend the worst in terms of price increases, contributing to international market instability. Farmers and livestock breeders face uncertainties regarding employment, costs and exports, as well as sharply rising prices for energy, fuel and inputs. Not to mention the side effects induced by political decisions hindering trade. Contracts already in force for the supply of maize to feed animals have been rescinded. Since the beginning of the conflict, there have been steep price spikes in several commodities, in particular soft wheat and maize. Among the sectors most exposed to trade with Ukraine is animal husbandry, particularly the pig sector. Soaring fertilizer and feed prices are putting a strain on pig and poultry production and exports, with feed prices rising by 8 to 22 percent above their already elevated levels³.

² FAO, Information Note "The Importance of Ukraine and the Russian Federation for global agricultural markets and the risk associated with the current conflict", March 2022

³ FAO, Information Note "The Importance of Ukraine and the Russian Federation for global agricultural markets and the risk associated with the current conflict", March 2022

Conflict-driven crops abandonment and food insecurity

Another worrying prospect is that Ukraine's Summer maize planting will be interrupted and the winter harvest damaged. Winter cereal crops that have already been planted are at risk, as they may not be fertilised or harvested. If the war persists, all Spring sowing, i.e., sunflowers and maize, will be in doubt. Indeed, access to fields is hampered by the ongoing conflict, preventing farmers from cultivating the plantations. Livestock and poultry breeding, and the production of fruit and vegetables will also be restricted, due to damages to agricultural infrastructure and lack of affordable agricultural inputs, not to mention the disproportional increase of price of gas and natural resources used to heat greenhouse for flower production. Indeed, from mid-March to mid-May, farmers prepare the land for vegetable production, with harvesting between July and September.

Ukraine has often been nicknamed the “Breadbasket of Europe” due to its strong agricultural production and importance to supplying the food needs of other European and Middle Eastern countries. Ukraine is a major producer and exporter of corn and wheat. Grain from both Ukraine and Russia are shipped through ports in the Black Sea, which have now been closed due to the conflict. The combination of Ukraine and Russia account for approximately 20 percent of world corn exports. China is a major importer of Ukrainian corn, which could force China to source more corn from other countries with the heavily negative impact on Ukraine farmers. Ukraine is also the world's largest producer of sunflowers and is the largest exporter of sunflower-seed oil, a key component of the global supply of vegetable oil, which plays an important role in the world food supply.

The perfect storm of poverty, hunger and instability is looming. It is worth mentioning that among the biggest beneficiaries of grain exports are the Middle East and African states, where wheat is considered a staple food. Indeed, conflicts and war are still a major cause of malnutrition and extreme food insecurity. According to the 2021 State Of Food Security and Nutrition in the World Report (SOFI), up to 811 million people worldwide are hungry. These figures are expected to continue growing because of the war between Ukraine and Russia.

At stake there is also the ongoing transition to more sustainable, equitable and inclusive food systems and the living and working conditions of family farmers who are deprived of their main source of income.

Recommendations

It is of vital importance to identify priority actions aimed at protecting farmers' livelihoods and food production. Unilateral initiatives should be avoided, in favor of a global response to address the impact on farming business created by the market disruptions.

It is absolutely essential to support the farming communities who feed us, by ensuring access to agricultural inputs, natural resources and agricultural infrastructures in the areas impacted by the conflict.

There is a strong urgency to encourage the adoption of sustainable agricultural practices by promoting soil health, agricultural innovation, and restoration of degraded land. Equally, we need to invest in resilient and conflict-sensitive food systems, which involves the ability to withstand and recover from disruptions so that everyone has access, on an ongoing basis, to an adequate amount of food.

Last and most important, farmers are calling for the support of the international community to enable them to work in the fields safely and peacefully.

ABOUT THE WORLD FARMERS' ORGANISATION (WFO)

The World Farmers' Organisation (WFO) is a member-based association, bringing together national farmers' organisations and agricultural cooperatives worldwide.

The WFO mission is to bring the farmers' voice into the global political dialogue on agriculture, advocating for their interests in all relevant international processes affecting their present and future. Find out more at <https://www.wfo-oma.org/>