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GAIN Global Agricultural Information Network

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Report Name: Grain and Feed Quarterly

Country: Ukraine

Post: Kyiv

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Prepared By: Denys Sobolev

Approved By: Laura Geller

Report Highlights:

This report contains revised production and export forecasts for MY2023/24 by Post

Abbreviations:

Ag Ministry – the Ministry of Agrarian Policy and Food of Ukraine
BSGI – Black Sea Grain Initiative
CY – Calendar Year
ha - Hectare
MY – Marketing Year
MT – Metric Ton
MMT – Million Metric Ton
NDVI – Normalized Difference Vegetation Index
PSD – Production, Supply and Distribution
SSSU - State Statistics Service of Ukraine

This report contains revised production and export forecasts for MY2023/24 only. For information about all MY2022/23 estimates as well as logic behind the consumption forecast for MY2023/24 see our annual GAIN Report UP2023-0012.

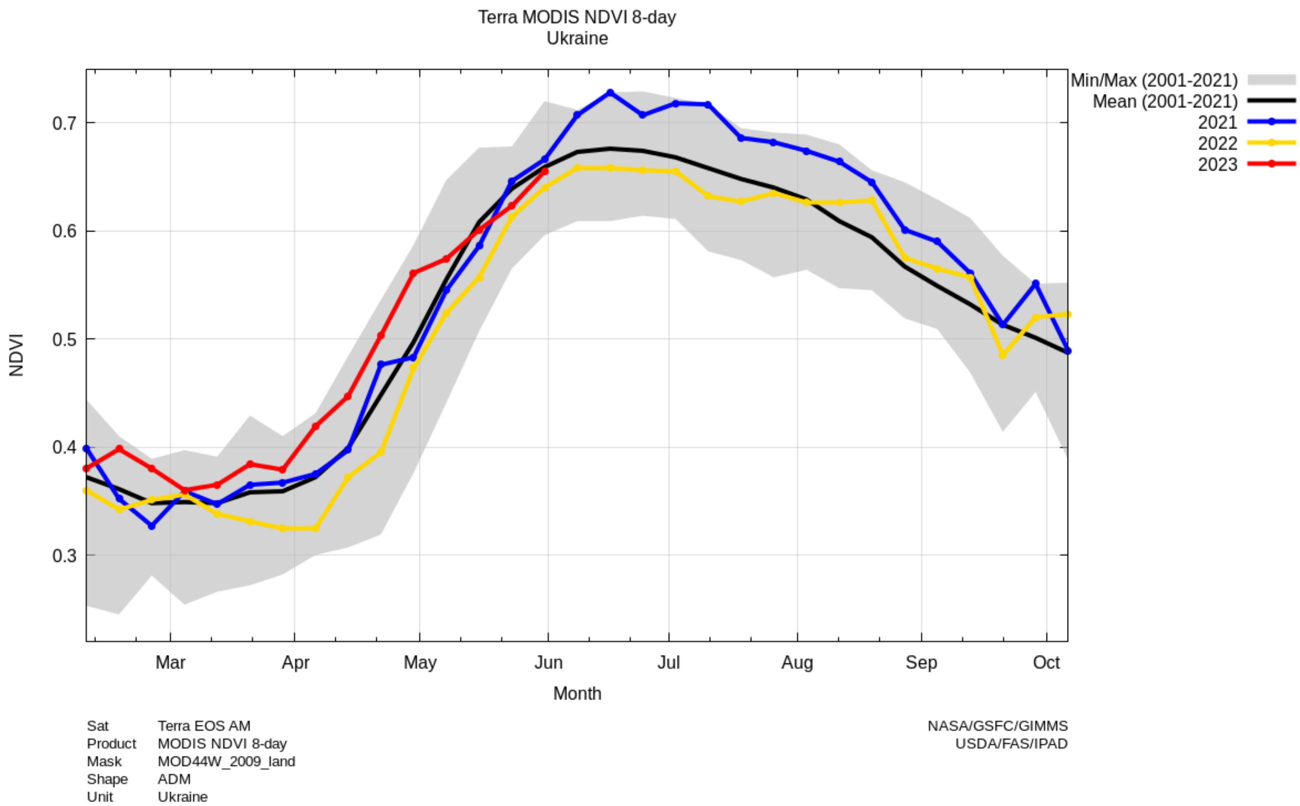
Production

According to the Ag Ministry's information, spring planting is underway. Areas planted as of June 8, 2023, are approximately:

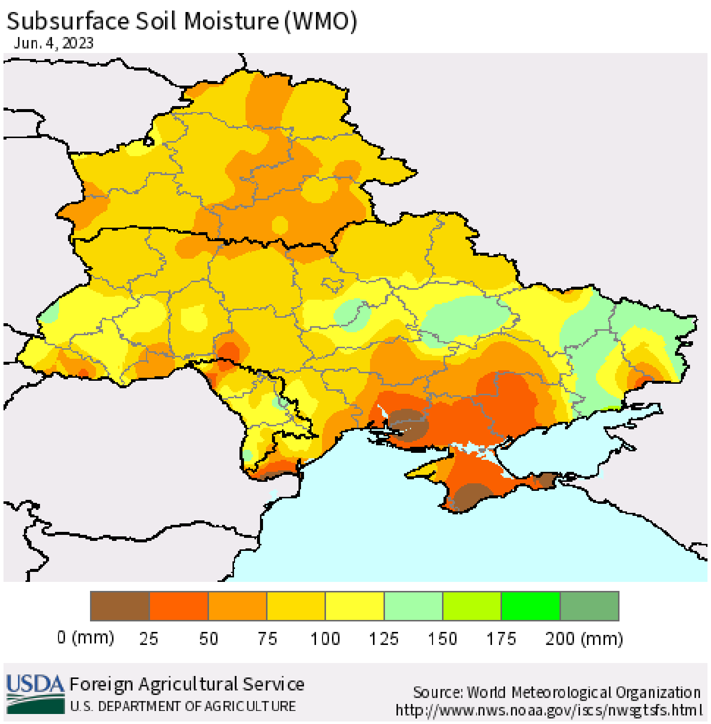
- Wheat – 271,000 ha
- Barley – 808,600 ha
- Corn – 3,999,600 ha

These were used to update the production volumes for MY2023/24 in relevant PSD Tables below. It should be noted that the new Post area estimate for corn (4.2 million ha) is significantly higher than the Post April 2023 estimate (3.3 million ha) included in our previous GAIN Report UP2023-0012. According to industry, the optimism for corn production was predominantly fueled by a drop in prices for natural gas, and, subsequently, the availability of cheaper nitrogen fertilizers on the market. The willingness of Ukrainian farmers to invest in corn was slightly unexpected to Post, especially taking into account the current issues with agricultural logistics for Ukraine (see Trade Section). Post's barley area forecast slightly increased as well based on planted area reports by Ag Ministry compared to the April 2023 estimate.

MY2023/24 yields for predominantly winter crops (wheat and rye) are based on a good head start from March to mid-May 2023 according to the NDVI graph below. Their yields have been increased against to Post's April 2023 estimates.



Yields of spring crops (corn and over 60 percent of barley) will be impacted by growth conditions shaped by soil moisture availability. Subsurface soil moisture suggests a growing deficit for major parts of Ukraine (see relevant map below). Based on this information, Post decreased the MY2023/24 corn yield forecast compared to its previous estimate. The MY2023/24 barley yield forecast is unchanged as higher yields for winter barley might be offset by lower yields for spring one.



Based on the abovementioned assumptions, Post updated its MY2023/24 production forecast:

- Wheat – 16.5 MMT
- Barley – 5.1 MMT
- Corn – 24.8 MMT
- Rye – 250,000 MT

Trade

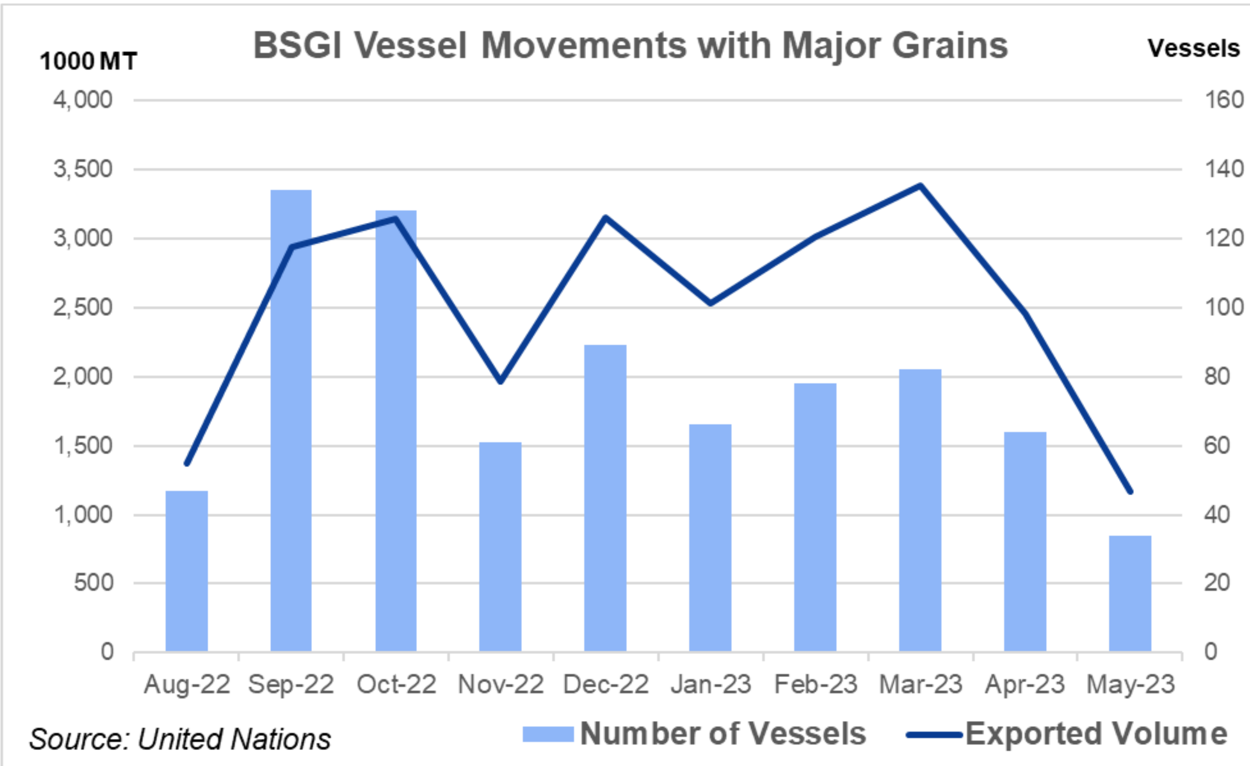
The Ag Ministry reported the following export numbers for the local MY2022/23 (starts July 2022 for all crops) as of June 7, 2023:

- Wheat – 15,704,000 MT
- Barley – 2,655,000 MT
- Corn – 27,313,000 MT (or 21,925,000 MT since October 2022)
- Rye – 18,000 MT
- Wheat Flour – 138,000 MT

Note: wheat flour is converted to wheat grain equivalent by multiplying the product weight by 1.368 and added to export volumes for wheat (HS Code 1001) by Post to present a comprehensive picture of wheat trade by Ukraine.

Based on the abovementioned numbers, Post could assume that barley and rye exports have been depleted for MY2022/23, while there is additional export potential for wheat and corn.

Logistics remains the core issue for shipping grains out of the country. Due to Russia's obstruction of the BSGI, both the number of vessels and export volumes for major grains are sliding for the third month in a row since March 2023 (see BSGI Vessel Movements graph below). Maritime shipping is the most cost-effective way to move agricultural commodities out of Ukraine, thus BSGI abuse by Russia resulted in slower rate of exports for MY2022/23, and, most importantly, lower farm-gate prices for Ukrainian farmers making them less sustainable in the long-term perspective.



Import bans from neighboring EU Member States, initiated by Poland (see GAIN Report PL2023-0014) are another issue impacting MY2022/23 exports from Ukraine to EU via Solidarity Lanes. The situation culminated by the introduction of exceptional and temporary preventive measures on limited Ukrainian imports by the EU until September 15, 2023.

According to the trade data for all agricultural commodities available to the Post, the average export volumes to all neighboring countries (Romania, Poland, Hungary, Moldova, Slovakia) were around three MMT, with a drop down to around 2.6 MMT in April 2023 and subsequent rebound back to the normal rate in May 2023.

Under the current circumstances, Post does not reasonably expect significant export bottlenecks for Ukrainian grain exports to the EU for MY2023/24. At the same time, the BSGI's (dis)functionality remains the major factor for slowing grain exports out of the country for MY2023/24, with agricultural export capacity (both grains and oilseeds) varying between three and six MMT (the former is for BSGI closed and the latter is the BSGI operating at maximum historical capacity).

Currently the EU is working on strengthening Ukraine's ability ship its commodities (including grains) by [associating Ukraine to the Connecting Europe Facility program]. This development will not have a short-term impact (including MY2023/24) on Ukraine's ability to expand its export capacity to the EU. However, it would allow to boost exports in the medium- and long-term perspectives.

Under the assumption of both the Solidarity Lanes and BSGI being operational and updated production estimates (see Production Section) Post estimates MY2023/24 export forecast as follows:

- Barley – 1.9 MMT
- Corn – 21.2 MMT
- Wheat – 9.8 MMT
- Rye – 170,000 MT

Post reserves the right to review these numbers depending on actual situation with logistics.

PSD Tables

Barley	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Ukraine	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2680	2680	1850	1780	1800	1570
Beginning Stocks (1000 MT)	661	661	880	802	760	775
Production (1000 MT)	9923	9923	6180	6231	6400	5120
MY Imports (1000 MT)	1	1	0	2	0	1
TY Imports (1000 MT)	1	1	0	2	0	1
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	10585	10585	7060	7035	7160	5896
MY Exports (1000 MT)	5705	5704	2500	2700	2500	1900
TY Exports (1000 MT)	2710	6194	2400	2700	2500	1900
Feed and Residual (1000 MT)	2800	2980	2600	2600	2600	2300
FSI Consumption (1000 MT)	1200	1099	1200	960	1200	957
Total Consumption (1000 MT)	4000	4079	3800	3560	3800	3257
Ending Stocks (1000 MT)	880	802	760	775	860	739
Total Distribution (1000 MT)	10585	10585	7060	7035	7160	5896
Yield (MT/HA)	3.7026	3.7026	3.3405	3.5006	3.5556	3.2611

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Wheat	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Ukraine	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7409	7409	5300	5015	4300	4040
Beginning Stocks (1000 MT)	1505	1505	5265	5104	1725	1376
Production (1000 MT)	33007	33007	20900	20771	17500	16540
MY Imports (1000 MT)	97	97	60	100	60	65
TY Imports (1000 MT)	97	97	60	100	60	65
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	34609	34609	26225	25975	19285	17981
MY Exports (1000 MT)	18844	18844	16000	16800	10500	9800
TY Exports (1000 MT)	18844	18844	16000	16800	10500	9800
Feed and Residual (1000 MT)	4500	4787	3500	3000	2500	2600

FSI Consumption (1000 MT)	6000	5874	5000	4799	4600	4787
Total Consumption (1000 MT)	10500	10661	8500	7799	7100	7387
Ending Stocks (1000 MT)	5265	5104	1725	1376	1685	794
Total Distribution (1000 MT)	34609	34609	26225	25975	19285	17981
Yield (MT/HA)	4.455	4.455	3.9434	4.1418	4.0698	4.0941

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

Corn	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Ukraine	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	5486	5486	4050	3780	3800	4200
Beginning Stocks (1000 MT)	832	832	7593	9479	1393	1619
Production (1000 MT)	42126	42126	27000	27000	24500	24780
MY Imports (1000 MT)	15	18	0	20	0	15
TY Imports (1000 MT)	15	18	0	20	0	15
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	1
Total Supply (1000 MT)	42973	42976	34593	36499	25893	26414
MY Exports (1000 MT)	26980	26980	27000	30300	19000	21230
TY Exports (1000 MT)	26980	26980	27000	30300	19000	21230
Feed and Residual (1000 MT)	7200	5510	5000	3700	4500	3200
FSI Consumption (1000 MT)	1200	1007	1200	880	1000	878
Total Consumption (1000 MT)	8400	6517	6200	4580	5500	4078
Ending Stocks (1000 MT)	7593	9479	1393	1619	1393	1106
Total Distribution (1000 MT)	42973	42976	34593	36499	25893	26414
Yield (MT/HA)	7.6788	7.6788	6.6667	7.1429	6.4474	5.9

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Rye	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Ukraine	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	175	172	100	103	80	80
Beginning Stocks (1000 MT)	90	90	114	218	42	241
Production (1000 MT)	600	593	285	309	230	250
MY Imports (1000 MT)	1	1	0	0	0	0
TY Imports (1000 MT)	0	1	0	0	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	691	684	399	527	272	491
MY Exports (1000 MT)	162	162	20	20	10	170
TY Exports (1000 MT)	124	120	15	20	10	170
Feed and Residual (1000 MT)	15	2	2	2	2	2
FSI Consumption (1000 MT)	400	302	335	264	200	263
Total Consumption (1000 MT)	415	304	337	266	202	265
Ending Stocks (1000 MT)	114	218	42	241	60	56
Total Distribution (1000 MT)	691	684	399	527	272	491
Yield (MT/HA)	3.4286	3.4477	2.85	3	2.875	3.125

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rye begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Attachments:

No Attachments