

## **GLOBAL FOOD CRISIS AS A RESULT OF WAR IN UKRAINE**

Ukraine has been one of the world's largest contributors to the World's Food Programme – the UN agency that provides food aid to countries in crisis. Ukraine plays a major role in global food markets and is among the TOP 5 exporters of grain and sunflower oil in the world. According to the analytical service of the Ukrainian Agrarian Council (UAC), world exports of sunflower oil in the 2021-2022 year amounted to 10.9 million tons, and half of this – 5.4 million tons – were exported by Ukraine. A huge number of countries around the world depend on Ukrainian oil. For example, such giants as India, most African countries and a lot of others rely heavily on imports of sunflower oil for domestic food supplies [3].

As of April 2022, the shortage of Ukrainian oil is already largely felt in the food systems of the whole world. Ukraine has already lost at least \$1.5 billion in grain exports since the war began. Food prices are quickly rising and basic goods are disappearing. For instance, in February, US grocery prices were already up 8.6 percent over a year period, the largest increase in 40 years, according to government data. Economists expect the war to further inflate the prices.

Ukraine ranks second in exports of barley and rapeseed in the world, third – in exports of rye and sorghum. In addition, Ukraine provides almost 10% of the world's grain supplies.

With regard to Ukraine itself, the agricultural sector provides up to 40% of foreign exchange earnings, which directly affects the stable exchange rate of the hryvnia.

At the same time, only during the first week of hostilities on the territory of Ukraine, the price of food wheat increased by 100% and amounted to \$400 per ton comparing to \$150 per ton for the same period last year.

Therefore, the war in Ukraine threatens the global food crisis. The chief of the United Nations World Food Program has warned, “The global food crisis is beyond anything we’ve seen since World War II” [2]. This issue is especially acute for the Middle East and North Africa (Egypt, Tunisia, Morocco, Pakistan, Saudi Arabia, and Turkey) since these countries are the main buyers of wheat and corn on world markets.

In vulnerable countries with a history of political unrest evoked by fragile economies and unaffordable food, the risks are clear. Rising prices may raise social tension in some countries, such as those with wear social safety nets, few job opportunities, limited fiscal space and unpopular governments [4]. Tunisia depends highly on wheat with an import from Ukraine of 50%. The recent years, Tunisia has struggled with unemployment, inflation and public debt. Yemen has been in war since 2014 and is dependent on bread production. 23 million Yemenis face hunger, disease and other life-threatening risks and it is only getting worse. The Lebanese economy is in crisis with sky-high inflation and usually the country imports more than half its wheat from Ukraine. Even before the war in Ukraine, the prices in Egypt had risen with 80% between April 2020 and December 2021. The halt of wheat production in Ukraine will push Egypt into an even bigger food insecurity than before.

That is why the failure of the sowing campaign in Ukraine, the reduction of grain production, its shortage and, consequently, rising prices, is a catastrophe for the whole world.

Over time, the crisis will only intensify. Russia is deliberately undermining the food security of Ukraine and the world by deliberately striking at Ukraine's agricultural machinery. A huge number of sown areas are currently unusable or blocked. The war has reached deep into the fertile plains of a region known as Europe's breadbasket, paralyzing harvests, destroying granaries and crops, and bringing potentially devastating consequences to a country producing a large share of the world's grain [2].

Protracted fighting in Ukraine could interrupt the annual cycle of sowing and reaping on Ukrainian farms, disrupting the global food trade beyond the end of 2022. According to the U.N. Food and Agriculture Organization, at least 20 percent of Ukraine's planted wheat already may not be harvested due to direct destruction, constrained access or a lack of resources to harvest crops.

Currently, Ukrainian farmers are feeling a total shortage of labor, because many workers went to defend the country – some were conscripted, others went to the defense. However, even if not all workers went to war, in some regions they are simply afraid to go out into the fields, because active hostilities continue.

In addition, there is a big problem with fuel. Ukraine received up to 75% of diesel fuel from Belarus and Russia which have already closed supplies to Ukraine.

The available fuel went to the needs of the army. However, even if fuel was available, it is almost impossible to buy it, as well as sowing material, plant protection products and fertilizer, because farmers lack working capital.

The ports are blocked, and farmers are currently unable to export grain. It is problematic to take a loan, because the banking system is also in a "zone of turbulence".

In such circumstances, it is extremely difficult, sometimes impossible to conduct a sowing campaign. However, the UAC is involved in solving these urgent issues every day together with the deputies of the profile committee and the Ministry of Agrarian Policy.

Currently, the issue of the availability of employees through the reservation of conscripts has been partially settled – in agreement with the Ministry of Agrarian Policy of the Ministry of Economy, they are not currently drafted into the army.

The government also proposed a program of financial support for farmers during the martial law to implement the sowing campaign. In particular, it is proposed to compensate the interest rate on the loan; the loan amount can reach up to UAH 50 million and be issued for 6 months [1].

However, despite all the measures taken, the world is facing a global food crisis that will affect billions of people around the world. Therefore, there is an urgent need for an aggressive external intervention to avert the food crisis. Information sharing among countries about their food status, as well as keeping borders open for agricultural exports, as suggested by G7 agriculture ministers, are important responses to the food crisis. It may make sense to send in farmers to help to revamp the agricultural sector in Ukraine, but it may be done once the fighting subsides. To reduce the consequences of the catastrophe, the world must immediately stop the aggressor and further provide large-scale support for the rapid recovery of Ukraine's agricultural sector.

## REFERENCES

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