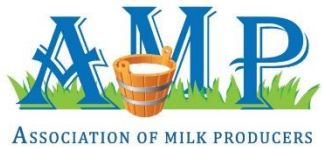


GLOBAL FOOD CRISIS DUE TO WAR OF RUSSIA in UKRAINE **LIVESTOCK UNDER THREAT**



UAC

Ukrainian
Agri
Council



CONTENT

1. War in Ukraine: humanitarian crisis
2. War in Ukraine: economic losses
3. Effects of war on global food system
4. Effects of war on milk & meat supplies to the civilians
5. Effects of war on livestock: milk production
6. “Marshall Plan” for Ukrainian livestock

1. WAR IN UKRAINE: HUMANITARIAN CRISIS

Nearly **6.5 million** became internally displaced

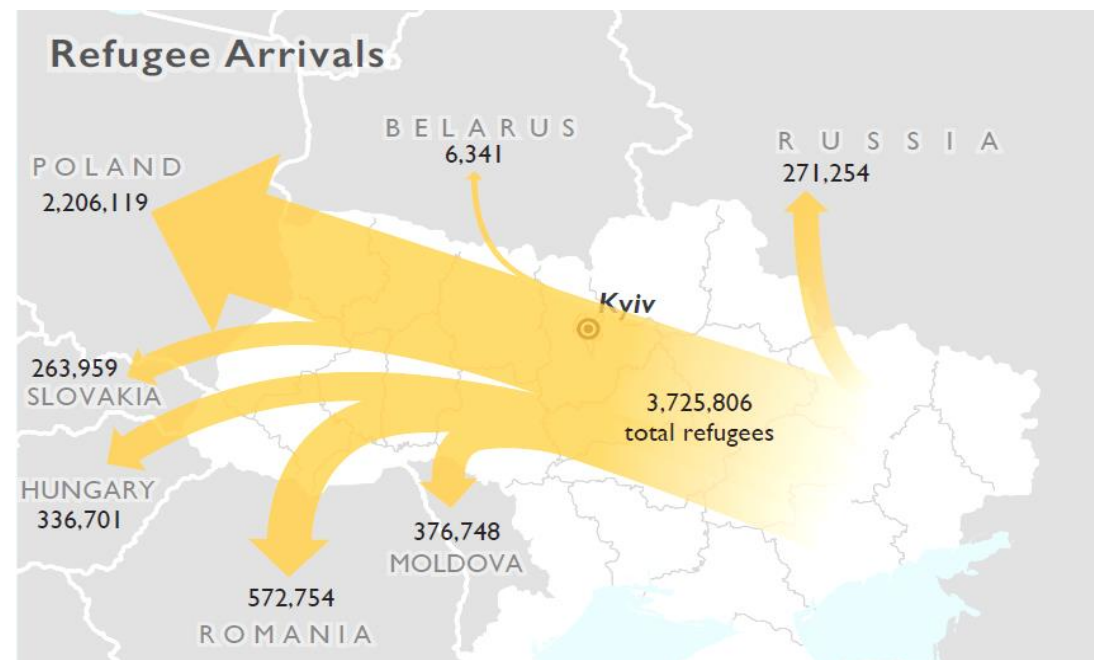
IOM-March 2022

Number of IDPs Per Macro-Region



More than **4.1 million people** have fled Ukraine

UNHCR-March 2022



Over **7 million people** identified to receive humanitarian assistance in Ukraine

UN-March 2022

Over **13 million people** are "stuck" in war zones

2. WAR IN UKRAINE: ECONOMIC LOSSES



Losses of Ukraine's economy
from damage of physical infrastructure since
the beginning of hostilities (in case of complete destruction)

AS OF 02.05.2022

The analysis of the project
"Russia will pay" – damaged.in.ua

TOTAL

\$92

billion

\$564-600 billion*

As of May 2, the total amount of **direct documented infrastructure damages**, based only on public sources, is almost **\$92 billion** or over UAH 2.7 trillion.

As estimated by the Ministry of Economy and Kyiv School of Economics (KSE), the **overall Ukraine's economic losses** due to the war, taking into account both direct losses calculated in this project and indirect losses (GDP decline, investment cessation, outflow of labor, additional defense and social support costs, etc), range from \$564 billion to **\$600 billion**.

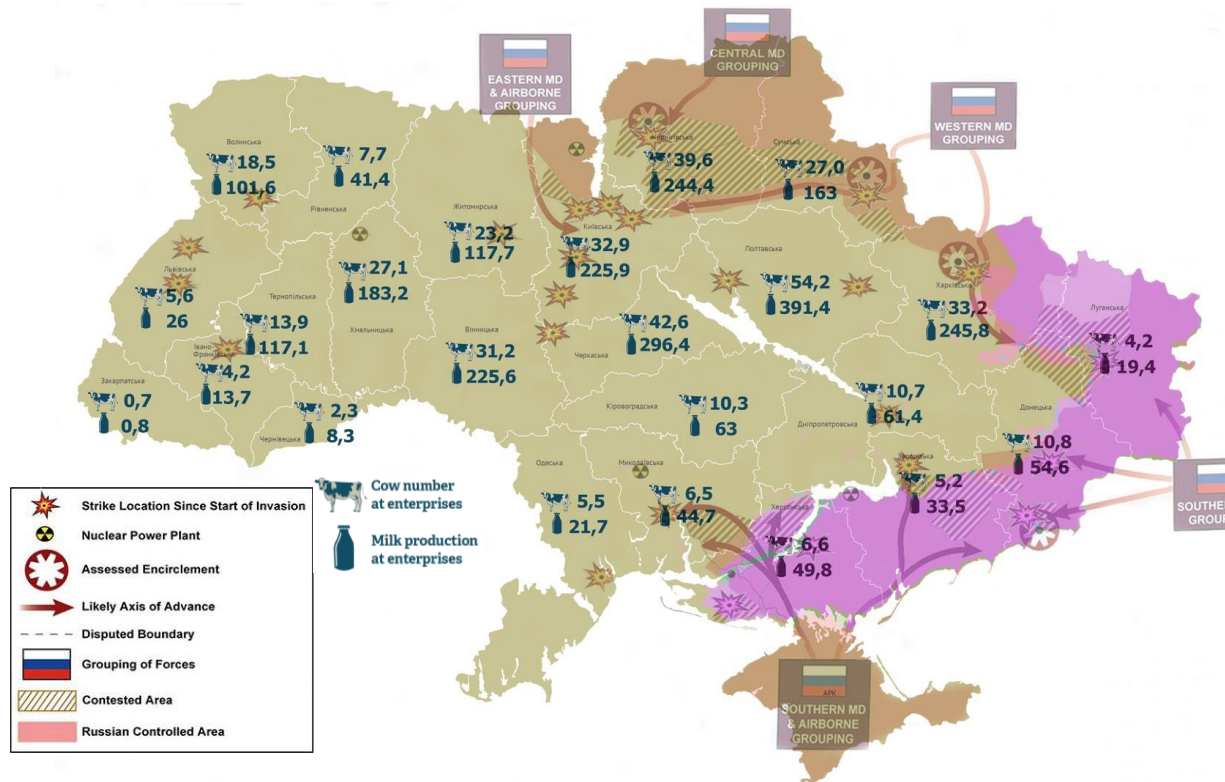
Source: [Total economic losses since the beginning of the war are estimated at \\$564-600 billion or above](#)

3. EFFECTS OF WAR ON GLOBAL FOOD SYSTEM

World has already faced the first signs of global food crisis as a result of war in Ukraine

- As a result of war in Ukraine the prices for food wheat have jumped to \$470-500 per ton
- Ukraine feeds 400 million people in Africa and the Middle East. The civil unrests and “hunger” riots can be spread in the region because of shortage of Ukrainian grain
- Prices for energy, fuel and feeds are hitting global farming and agriculture
- European dairy and meat farmers are short of fodder crops imported from Ukraine
- 10 out of 24 regions have been or still are under temporarily occupation or in hostilities zone
- Harvest 2022 is under threat due to shortage of seeds, fertilizers, crop protection products, diesel, mining of fields
- russian invaders make targeted attacks on the oil depots across the country
- Exports through the Black Sea and the Azov Sea ports are blocked
- Logistics and supply chains of agri-inputs are broken
- Livestock sector suffer from shortage of feeds and veterinarian medicines as well as milk sales channels
- Farms and farm machinery are under regular shelling and attacks

4. EFFECTS OF WAR ON MILK & SUPPLIES TO CIVILIANS



- 10 out of 24 regions being under temporarily occupation or in hostilities zone, supplied **42% of milk** for processing
- ~ **800 commercial dairy farms** have been affected by the war

Ukraine's dairy farming as of January 1, 2022:

- 2.48 million tons of milk** were supplied for processing
- commercial dairy farms account for **over 80%** in the structure of milk supplied for processing
- the average milk yield** in commercial dairy farms amounted to **6,860 kg per cow** per year; top farms got **11,000 kg** per cow/year
- milk consumption** reached 206 kg per capita per year
- key employer in rural area**: 80,000 employees of dairy farms and 300,000 employees in related industries

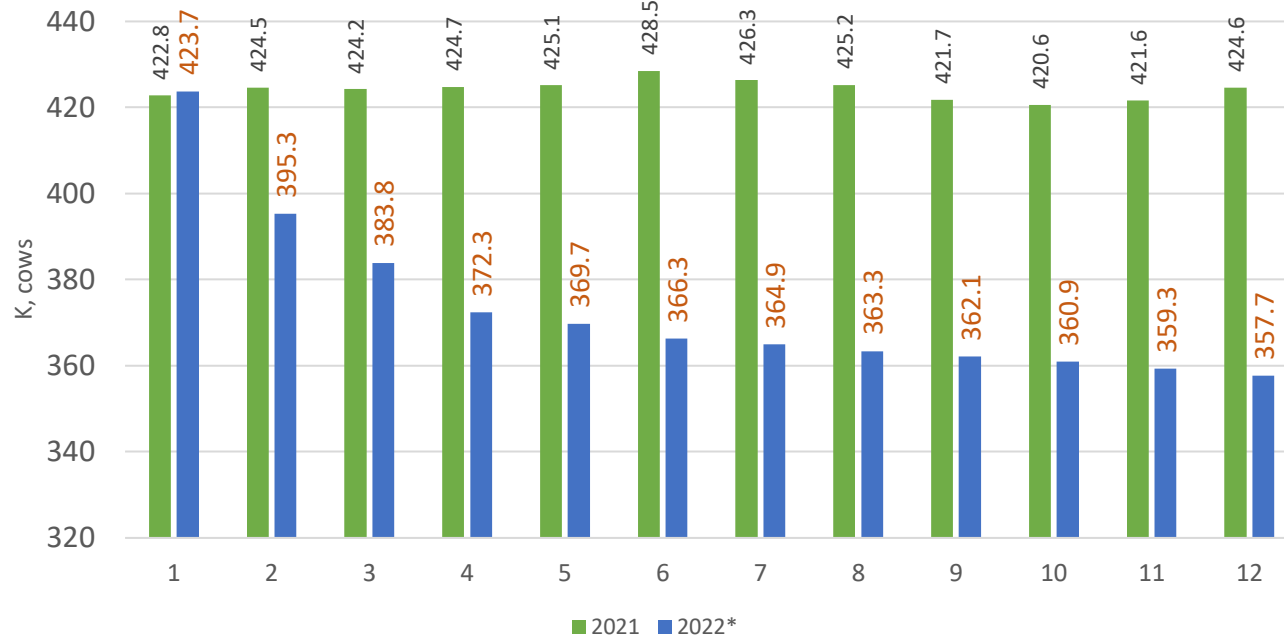


Nevertheless

- Dairy farms in safer regions keep up and even increase milk yields,
- Dairy farms and processing plants in liberated regions gradually recover

IMPLICATIONS OF WAR for dairy farming

Dynamics of dairy cows on commercial dairy farms



Source: Analytical center of AMP

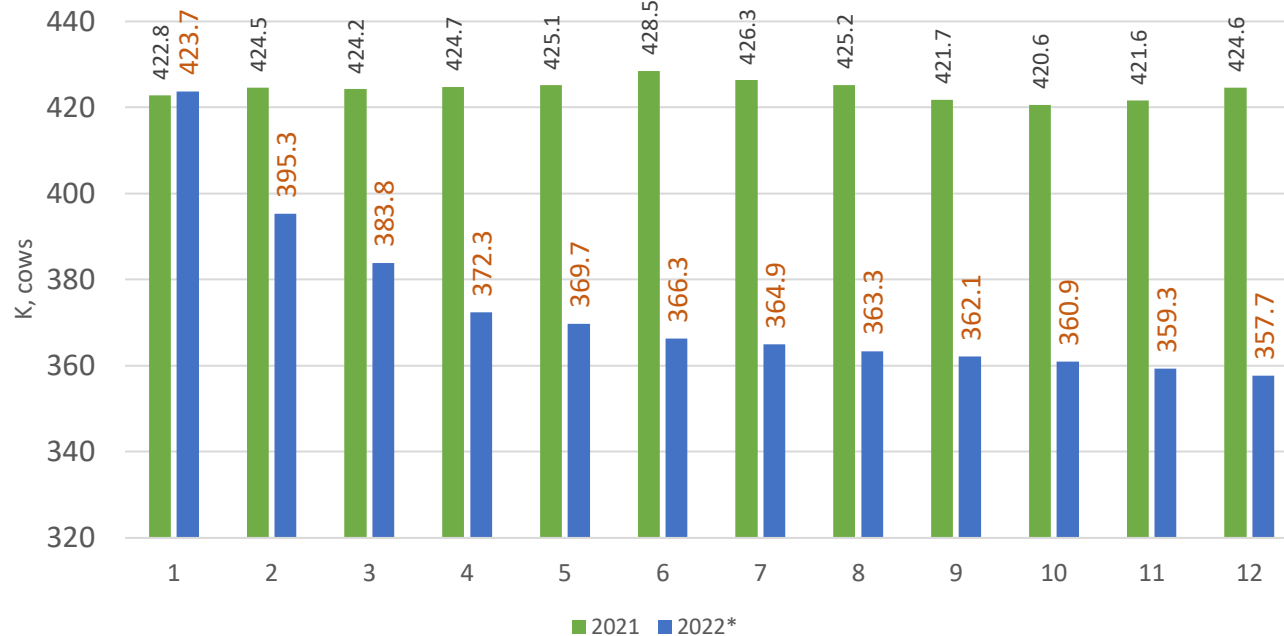
Key facts and forecasts for dairy farming

- Since February 24, above 50,000 cows were lost
- According to the **optimistic scenario** (war duration about 6 month), about **70,000 cows could be lost** till the end of the year (16% of the commercial cow herd)
- Under the **pessimistic scenario** (war duration over 8 month), **more than 120,000 cows could be lost** till the end of the year (above 30 %)
- This may cause the shortage in milk supply that **will affect** approximately **5 mln** people in Ukraine.

*02.2022 – - outlook, optimistic scenario. **The optimistic scenario means that the radius of the occupied territories and hostilities zone will not expand during the year, and in the areas free from hostilities the fodder base will be sufficient**

IMPLICATIONS OF WAR for dairy farming

Dynamics of dairy cows on commercial dairy farms



Source: Analytical center of AMP

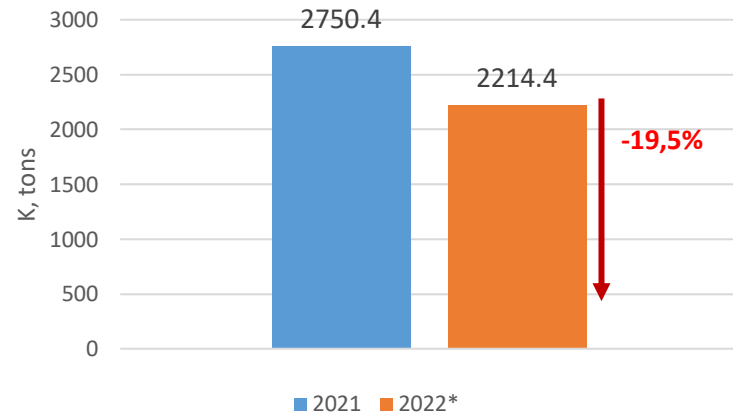
Key facts and forecasts for dairy farming

- Since February 24, up to 30,000 cows were lost
- According to the **optimistic scenario** (war duration about 4 month), above **65,000 cows could be lost** till the end of the year (15% of the commercial cow herd)
- Under the **pessimistic scenario** (war duration over 8 month), **more than 120,000 cows could be lost** till the end of the year (above 30%)
- This may cause the shortage in milk supply that **will affect** approximately **5 mln** people in Ukraine.

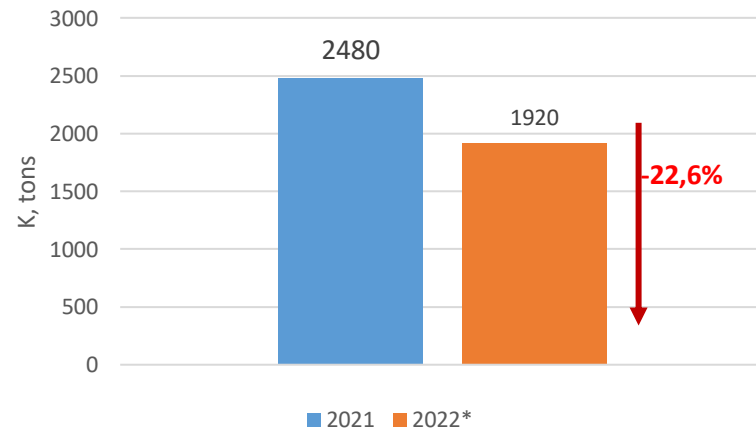
*05.2022 – - outlook, optimistic scenario. **The optimistic scenario means that the radius of the occupied territories and hostilities zone will not expand during the year, and in the areas free from hostilities the fodder base will be sufficient**

5. EFFECTS OF WAR ON LIVESTOCK: MILK PRODUCTION

Milk production volume, commercial dairy farms*



Milk processing volume, commercial dairy farms*



Source: Analytical Center of AMP

Key challenges for dairy farms in hostilities zone:

- Total or partial damage
- Broken supply chains and logistics of agri-inputs
- Lack of working capital and inability to attract loans
- Shortage of protein feeds
- Shortage of labor forces
- Shortage of veterinarian medicines and tools
- Impossibility to harvest forages

Dairy farms keep supporting locals, refugees, hospitals, defenders by

- supplying milk for free
- restoring bakeries, mills, creameries, dairies where that is possible

*2022 - outlook, optimistic scenario



Commercial dairy farm in Kharkiv region after the aimed shelling



Commercial dairy farm in Kharkiv region after a missile attack



Commercial dairy farm in Kharkiv region after occupation





Commercial dairy farm, Chernihiv region.



Crop farm, Kyiv region



Crop farm, Donetsk region.



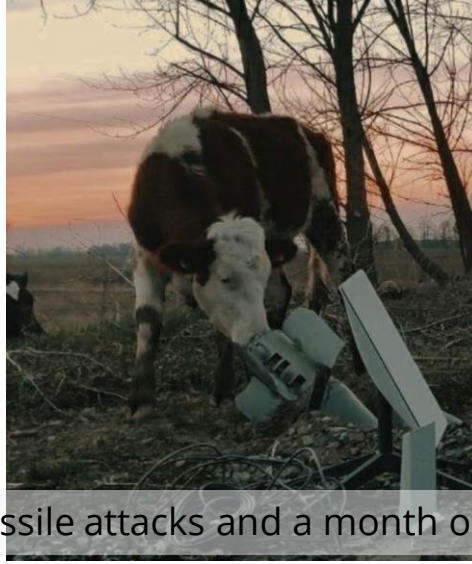
Crop farm, Kyiv region



Grain storage, Zhytomyr region



Commercial dairy farm in Chernihiv region, after aimed missile attacks and a month of occupation



Commercial dairy farm in Chernihiv region after two air raids





Ukrainian Milk Company, Kyiv region
Total cattle herd – 4,500 cows

Since the war had started, they distributed 90 tons for free and had to dispose 465 tons of milk. Up to 100 cows were injured as a result of airstrike

Ukrainian dairy farmers deliver milk and dairy products to civilians



Farms in Kherson region



Farm in Kharkiv region



And **farmers from all the regions** of Ukraine **continue collecting, preparing and delivering** food to civilians in need and the Army, ammunition for the soldiers and providing all the other help **for free**.



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від 10.03.2022 р. № 14-1800-06.1/129-BC На № _____ від _____ 20__ р.

Heads of institutions, enterprises,
organizations

Re: *Informing*

The Ministry of Agrarian Policy and Food of Ukraine informs that in accordance with Article 7 of the Law of Ukraine «On Charitable Activities and Charitable Organizations» the «Ukrainian Agrarian Council» Public Union (USREOU code 39199887), Association of Milk Producers (USREOU code 36362533) and the Association «Pig Farmers» (USREOU code 37817449) are organizations that actually have been conducting public gathering of donations and humanitarian aid to provide the critical import of veterinary preparations and tools, feed ingredients for cattle and pigs, as well as their distribution and delivery to the livestock farms that need immediate support to ensure the country's food security since February 24th, 2022.

Minister
Roman LESHCHENKO

Since March 10, **Ministry of Agrarian Policy and Food of Ukraine delegated** to Ukrainian Agrarian Council together with Association of Milk Producers the responsibility to organize donations of agri-inputs, feed ingredients, veterinary medicines, agri-tools and others.

International donation fund for farmers created - **#SaveUA**

6. “MARSHALL PLAN” FOR UKRAINIAN LIVESTOCK

Phase 1. Critical

Duration: 3 months

Goals:

- providing **critical agri-inputs import** to support the crop and livestock industry
- organizing and ensuring the work of **Logistic center** for humanitarian cargoes
- providing **humanitarian aid** for the Armed Forces and the civilian population
- ensuring the humanitarian **fuel supplies**

Phase 2. Strategic

Duration: 12 months

Goals:

- launching the **national center for relieving the consequences** of hostilities in the agricultural sector (re-cultivation, demining, legal aid, etc.)
- solving the problem of **grain exports by developing extra logistics** hubs and launching humanitarian projects at Ukrainian mills
- developing large-scale **capacity-building projects for livestock** with the support of international donors

6. “MARSHALL PLAN” FOR UKRAINIAN LIVESTOCK

Phase 3. Developing

Duration: after the active phase of hostilities

Goals:

- developing the **network of Farm Depots** – centers of competency, employment, **providing farmers with needs**, contractors service
- launching the laboratory complex for wide range of analysis and **researches in agriculture**
- developing the **national-wide educational projects**

Phase 4. Recovery

Duration: after-war period

Goals:

- developing **long-term projects with the support of international donors on relief and recovery** of Ukraine's agriculture:
 - Ukrainian Agrarian **University**
 - Plant for production of **irrigation equipment**
 - **Cooperative milk processing plant**
 - **Cooperative slaughter house**
 - **Network of demo farms**

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