

Voluntary Report – Voluntary - Public Distribution

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Report Name: Ukraine Introduces Export Caps for Wheat and Rye

Country: Ukraine

Post: Kyiv

Report Category: Agricultural Situation, Grain and Feed, Agriculture in the News

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Report Highlights:

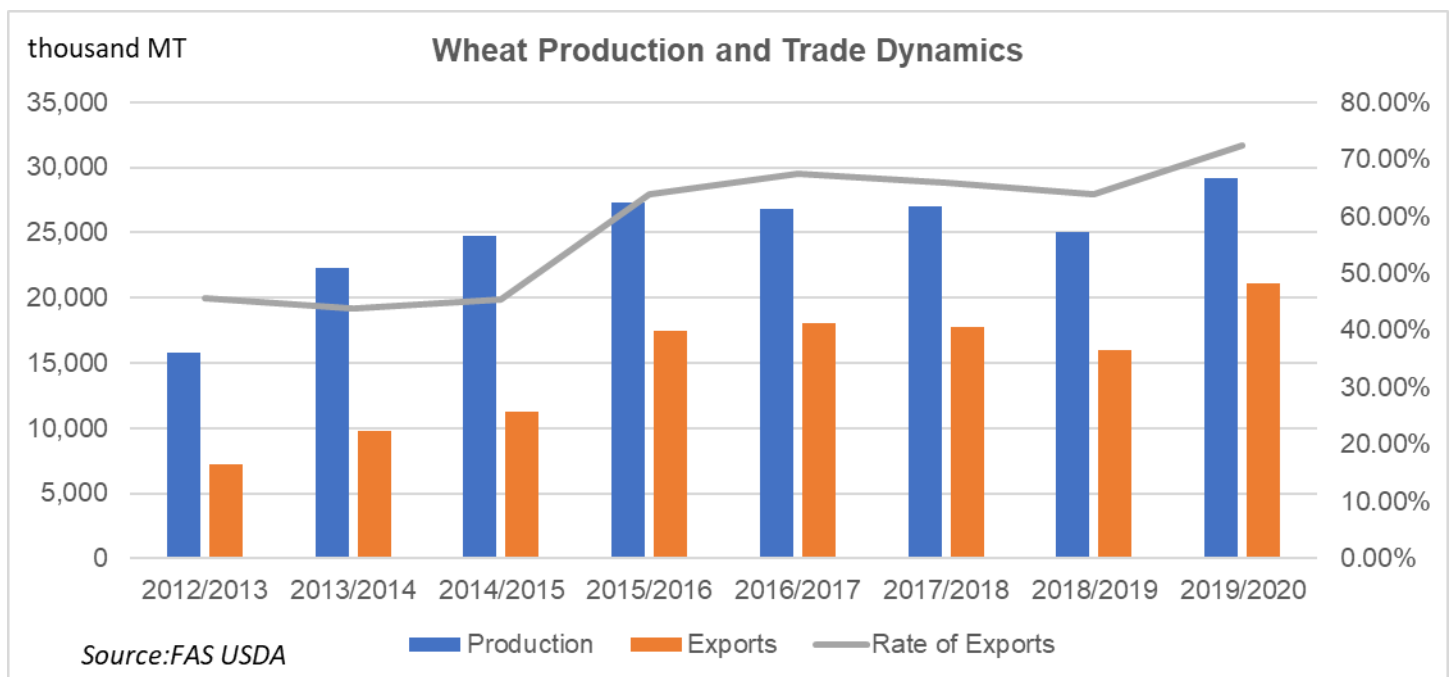
Ukraine introduced export caps for wheat at 17.5 million metric tons (MMT) and for rye at one thousand (MT) until the end of marketing year (MY)2020/21.

On August 17, 2020, the Ministry of Economic Development, Trade and Agriculture (MEDTA) and representatives of a number of private sector organizations representing interests of the farming community, grain traders, milling and baking industries signed an Addendum to the Memorandum of Understanding (MoU) specifying exportable volumes for Marketing Year (MY) 2020/21.

Note: The MoU is a non-binding document that identifies agreed-upon, targeted exportable volumes for major grains that are considered crucial to Ukrainian national food security. The MoU dates back to 2011 and was initially designed as an instrument to balance public and private interests, and served as a viable alternative to less favorable administrative instruments (i.e. export bans or quotas) applied in earlier years to ensure that Ukraine maintained a sufficient grain balance to meet domestic needs.

According to the information available to Post, the Addendum suggests the following exportable volumes for MY2020/21: Wheat and Meslin (HS Code: 1001) – 17.5 MMT and Rye (HS Code: 1102) – 1 thousand MT.

According to recent harvest data ([in Ukrainian](#)) provided by MEDTA, wheat production is expected at the level of around 26.8 MMT. According to the graph below the rate of exports to production of wheat in Ukraine was around 67 percent during the last five years (2015-19). Projecting this trend on the current harvest estimate, Post estimates that approximately 17.8 MMT of wheat will be exported in MY2020/21. This puts the Post estimate for exported wheat slightly above the levels agreed upon in the MoU.



However, it should be noted that, actual wheat exports will very much depend on corn production in 2020. Corn accounts for around half of domestic grain consumption. For more information, please refer to page eight our [Annual Grain Report UP2020-0015](#). At the time of the report writing, FAS Kyiv has received mixed signals regarding corn yields this year. According to local sources, part of the corn production area has been affected by low soil moisture. MEDTA has downgraded its corn production forecast to 35MMT (compared to initial 37 MMT) as of August 19, 2020. Given the assumption that the Ukrainian corn production in MY2020/21 will be down, Post anticipates that more wheat supplies may be needed for domestic consumption.

Attachments:

No Attachments.