United States Department of Agriculture

Foreign Agricultural Service

August 16, 2019

Commodity Intelligence Report

Ukraine: Favorable Weather Boosts Yields for Sunflowers and Corn

Analysts from the USDA Foreign Agricultural Service (FAS) in Washington and Kyiv conducted crop-assessment travel in Ukraine from July 13–25 alongside FAS Kyiv (See Figures 1 and 2). FAS met with farmers in Poltava, Dnipro, Mykolaiv, Odessa and Kherson; and with industry sources throughout Ukraine. The team visited farms to discuss the ongoing harvest of winter crops, conditions for summer crops and planting conditions for next year's winter crops.

Crop conditions:

Harvesting was ongoing for the winter grain and oilseed crops in Ukraine. The winter wheat and winter rapeseed harvest had few issues. The winter season was generally mild with low rates of winterkill and weather conditions in the spring were favorable for growth. Dry and hot weather in June reduced yield potential but Ukraine wheat yield is estimated as the second highest yield on record at 4.14 tons per hectare. Ukraine wheat is estimated at a record 29.2 million metric tons (mmt). Farmers were in the midst of clearing their winter wheat fields to get ready to plant the marketing year 2020/2021 winter crops (See Figures 3 and 4). Winter rapeseed is a smaller crop than wheat and the total rapeseed production (winter and spring) is currently estimated at 3.2 mmt. Production for total rapeseed has doubled since 2016.

Analysts saw several fields of corn and sunflowers, which make up the highest percentage of the summer crops. To collect data, analysts used a mobile data collection application, developed by the National Geospatial Intelligence Agency, called M.A.G.E., to record the geospatial location of agricultural fields. Corn production is currently forecast at a record 36.5 mmt while sunflower production is also forecast at a record 15.5 mmt. Sunflowers are mostly grown in the Steppe region (southeastern part of the country) while corn is mostly grown in the Forest-Steppe region (central part of the country) (See Figure 5). Corn was also about two weeks ahead of schedule in the middle of July and the ears were filling out well, with few issues observed the field (See Figures 6 and 7). Sunflowers were in the middle of flowering and fields were looking healthy with plenty of moisture and little to no pests. The sunflower heads were largely filled out (See Figure 8), with only a few issues seen in the more southern regions (See Figure 9).

Sunflowers and corn are two of the more profitable crops with sunflowers traditionally being the most profitable (See Figure 10). Sunflower area in Ukraine is known to be underreported by farmers to the State Statistical Service. The combination of oil exports and in-country domestic oil consumption rates mean there isn't enough seed to meet estimated crushing demand. Commodity prices tend to play less of a role in farmers' decisions about what to plant since crop rotation patterns are typically set at least a year, if not longer, in advance. The corn and sunflowerseed harvest will begin in September and continues through mid-November.

Technology and Policy:

FAS Analysts observed the innovative use of new technology by farmers in Ukraine. High-technology tractors with GPS, of varying European and American brands were used, which farmers said saved both fuel and seeds when planting (in some cases as high as 20 percent savings on fuel compared to not using GPS enabled equipment). In terms of seeds, Ukraine farmers use a combination of local and imported seeds. The imported seeds are hybrids and are generally higher yielding. Additionally, no till agriculture is becoming popular, especially in the Steppe zone of Ukraine, since this region is typically dry and no-till operations save soil moisture (See Figure 11).

However, one of the more challenging aspects of farming in Ukraine is the land ownership polices. Land ownership is difficult to understand and many farmers and agricultural enterprises lease land, resulting in a decreased investment in beneficial long-term approaches such as no-till operations and irrigation.

All USDA crop production estimates for Ukraine include estimated output from Crimea.

The contributions of Denys Sobolev, Kyle Farrell, and Robin Gray at the USDA FAS Office in Kyiv are gratefully acknowledged.

Figure 1: Crop travel route in July 2019

Figure 2: FAS crop travel team

FAS intern Kyle Farrell, LES Denys Sobolev and FAS/W Katie McGaughey

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Photo courtesy of Katie McGaughey (FAS)

Figure 3: Winter wheat harvest in Poltava, Ukraine, July 2019

Figure 4: Burning wheat stubble after harvest in Kherson, Ukraine, July 2019

Figure 5: Ukraine Agroclimatic Zones

Figure 6: Corn in Poltava, Ukraine, July 2019

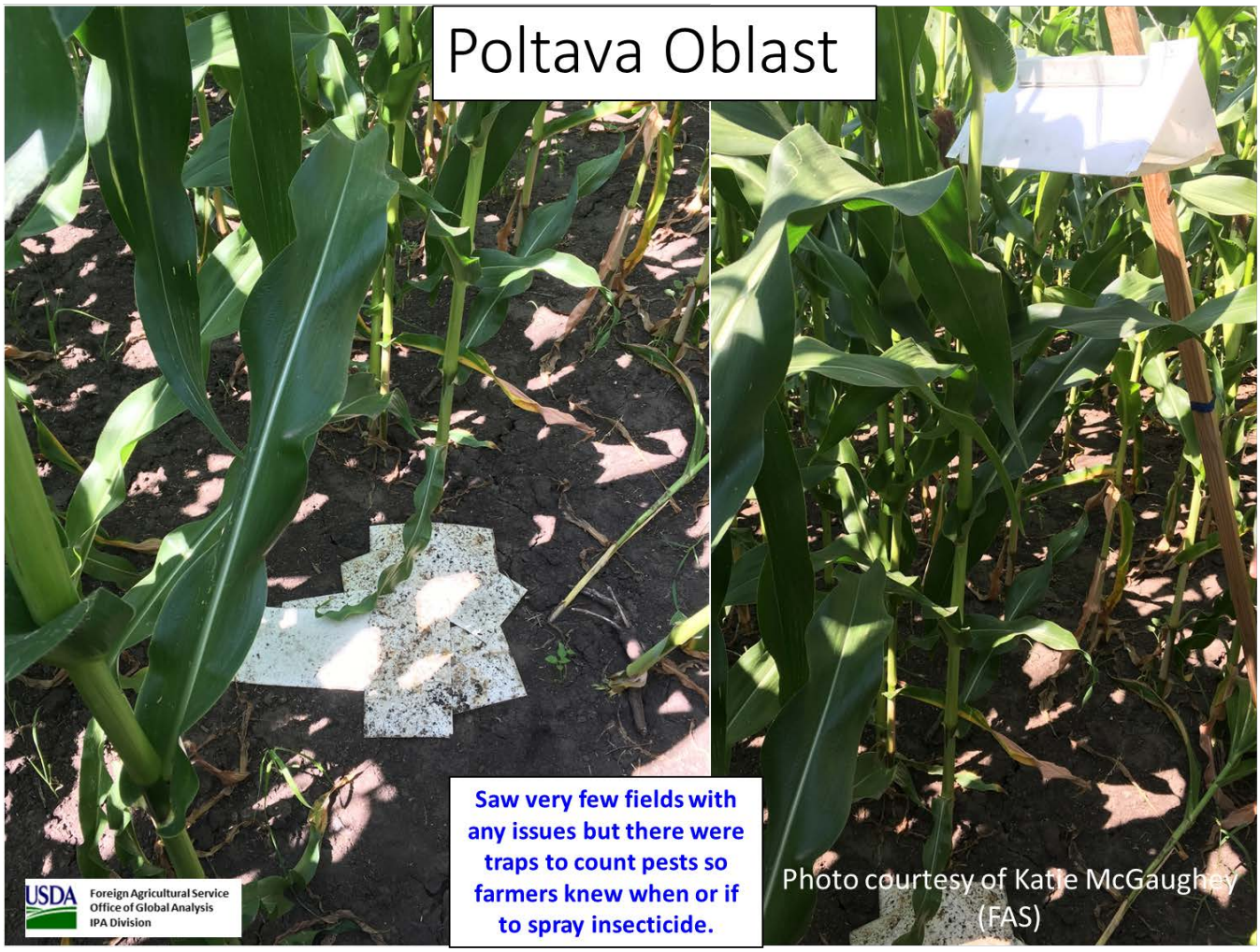

Figure 7: Corn and sunflowers in Poltava, Ukraine, July 2019

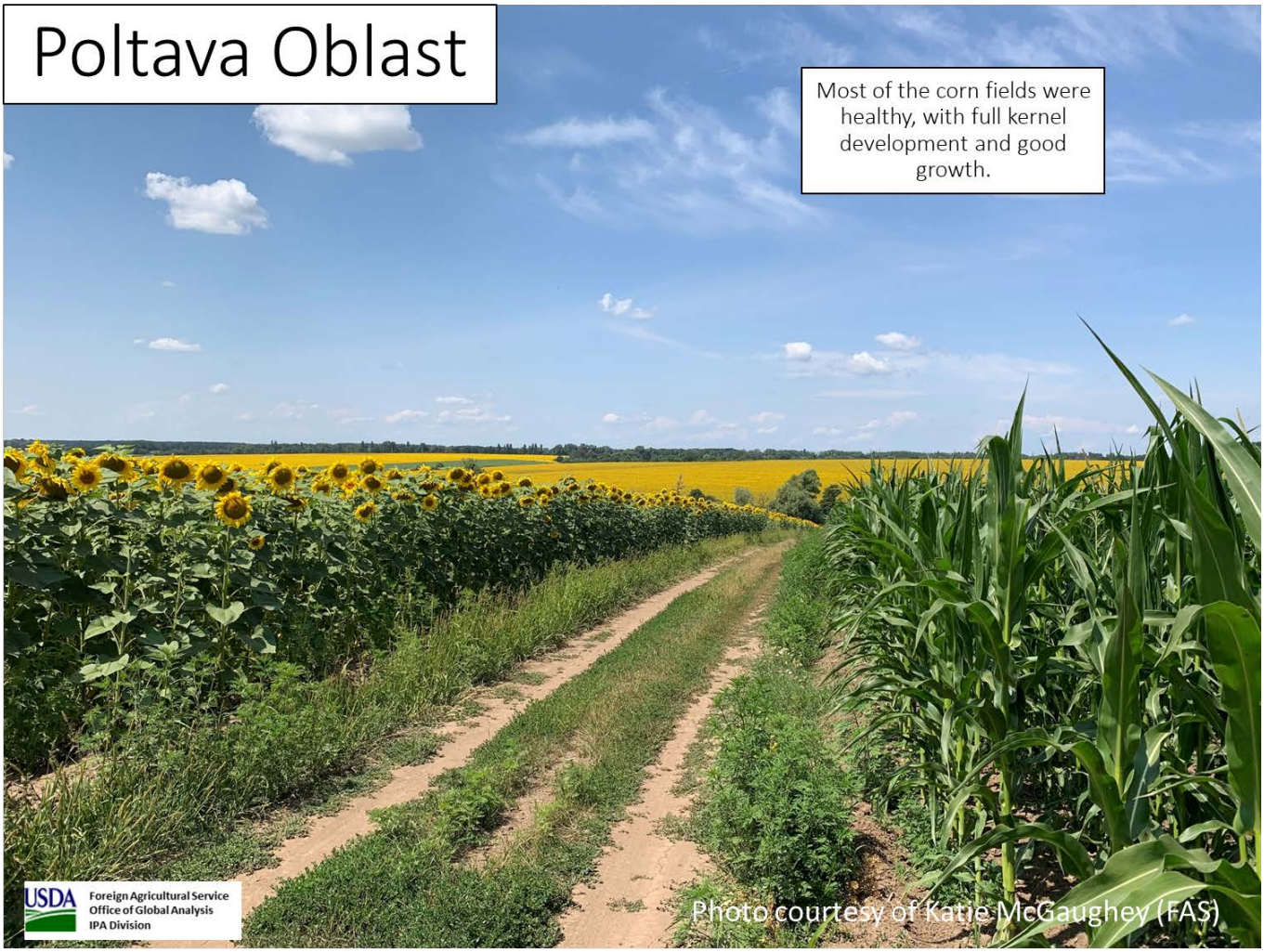

Figure 8: Sunflowers in Mykolaiv, Ukraine, July 2019

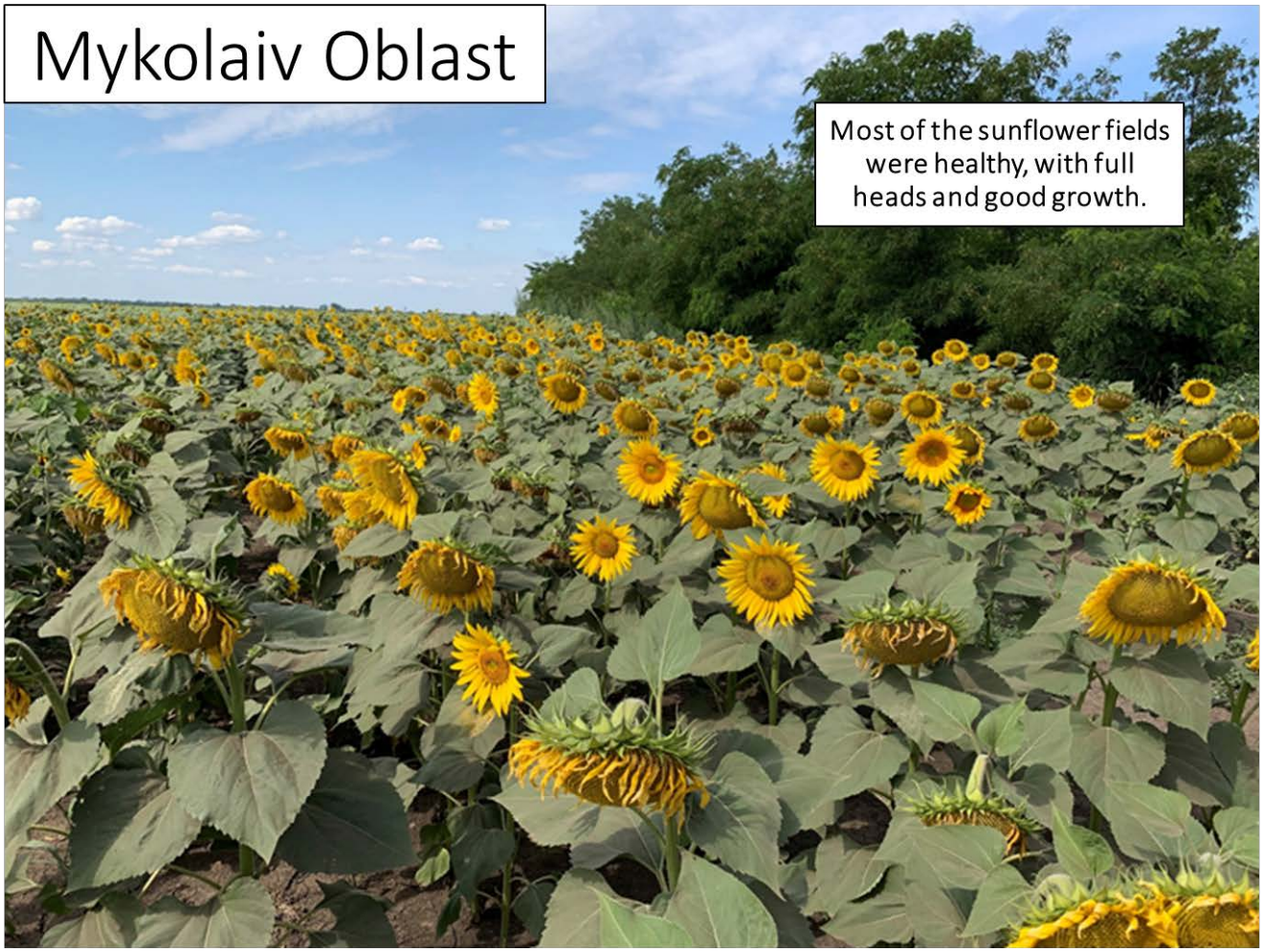

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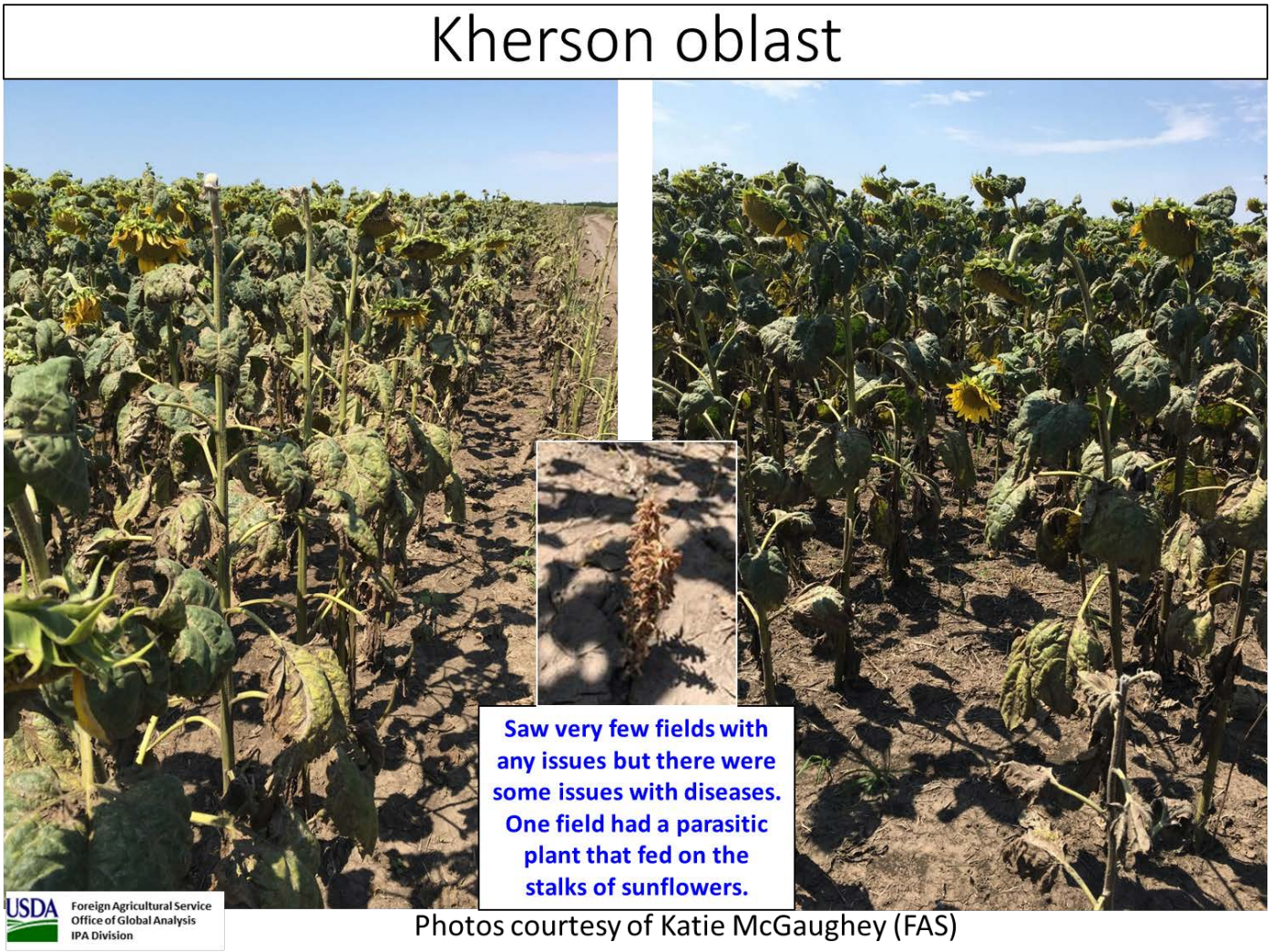
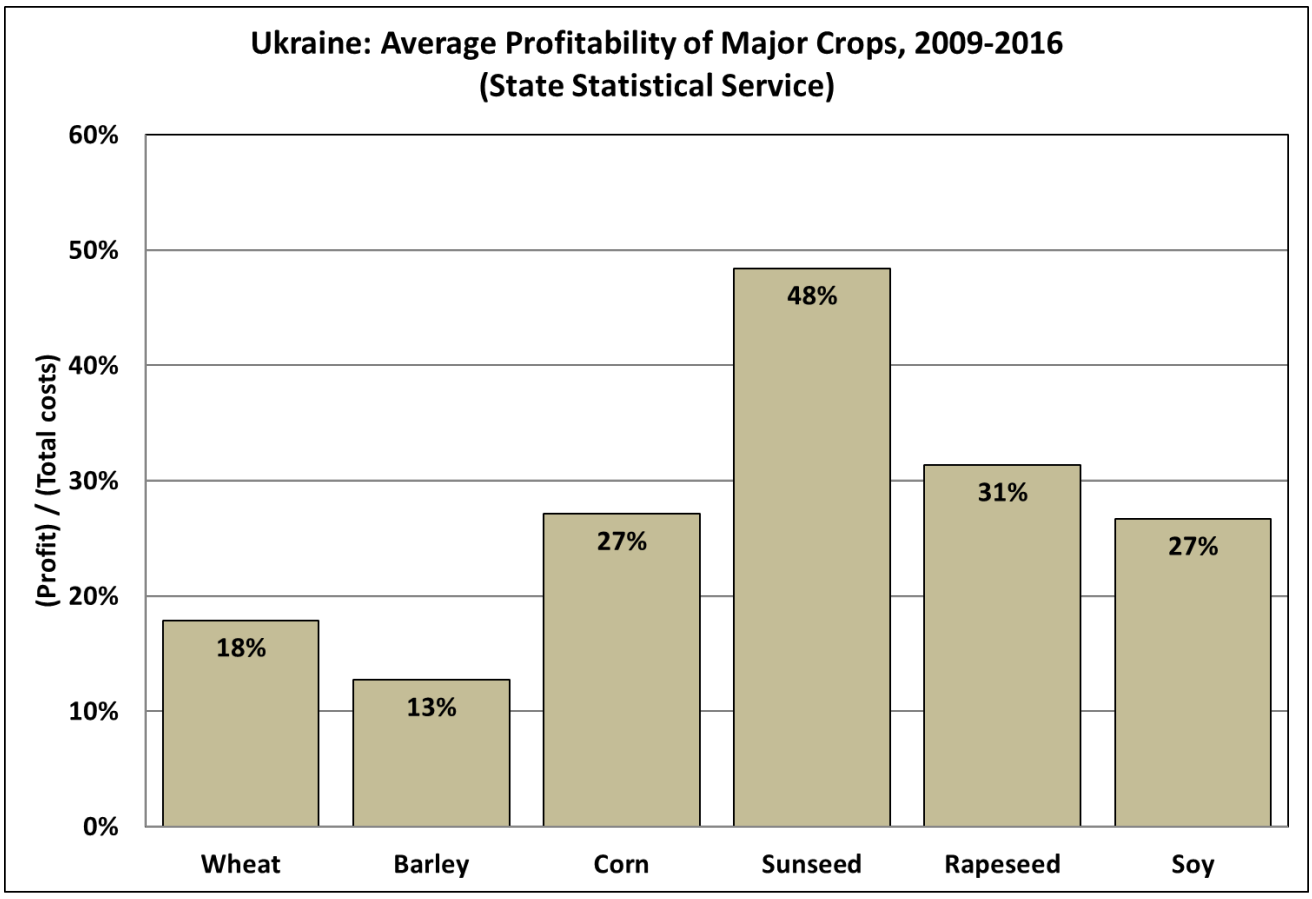
Photo courtesy of Katie McGaughey (FAS)

Figure 9: Sunflowers in Kherson, Ukraine, July 2019



Photos courtesy of Katie McGaughey (FAS)

Figure 10: Sunflower Profitability



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Source: State Statistical Service

Figure 11: Black Earth soil, Kherson, Ukraine, July 2019

Photo courtesy of Katie McGaughey (FAS)

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Current area and production estimates for grains and other agricultural commodities are available on IPAD's Agricultural Production page:
Crop Explorer https://ipad.fas.usda.gov/cropexplorer/or

Production, Supply and Distribution Database (PSD Online):
http://apps.fas.usda.gov/psdonline/psdHome.aspx

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