



14th meeting of the EU-Ukraine Civil Society Platform  
Brussels, December 15, 2023

## AGRARIAN SECTOR DURING THE WAR: insights and perspectives

### The keynote

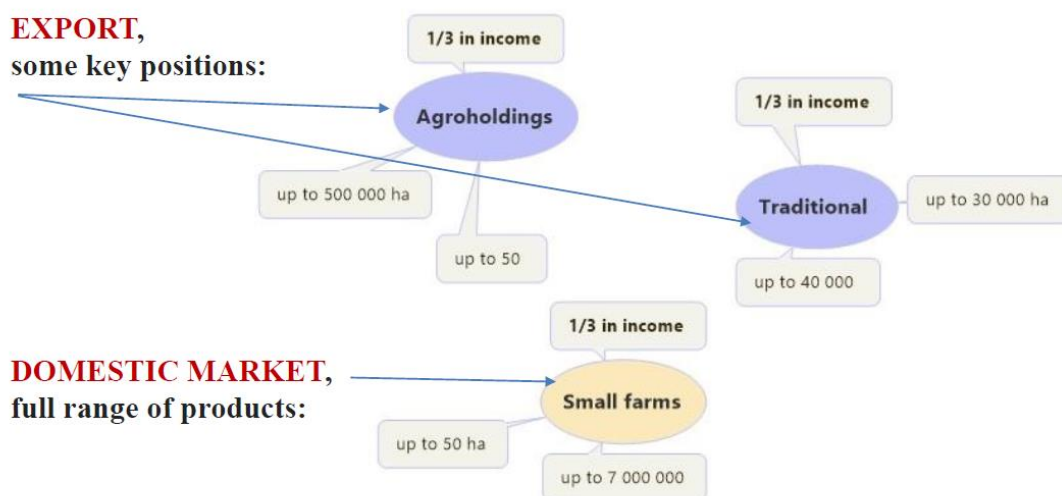
Agrarian sphere was, is and will be the key issue of UA-EU integration.

### Agrarian sector before the war

By the beginning of 2022 Ukrainian agrarian sector was divided into three just equal parts by gross income: 1) some big agroholdings (up to 50 entities) having huge land banks (up to 500 000 hectares), 2) traditional agrarian enterprises (the whole number up to 40 000, land banks up to 30 000 hectares) and 3) huge amount (up to 7 000 000) small farms and households of rural population working on small pieces of agricultural land barely approaching 50 hectares.

Both traditional and small farms parts of national agricultural sector are inherited from former soviet economics, agroholdings are built of a number of traditional agrarian enterprises/ The last appeared too stable and too profitable in the market economy.

Agroholdings and traditional enterprises produced basic agrarian goods (wheat, barley, corn, sunflower and sunflower oil, rape etc.) for the export mainly to Africa and Asia countries. Small farms produced the full range of food products consumed by local markets in Ukraine. Traditional enterprises were trying to diversify activity and to produce food products with added value. Small and middle business oriented on production of semi- ready and final food products was concentrated around small farms as well.





## Agrarian sector during the war

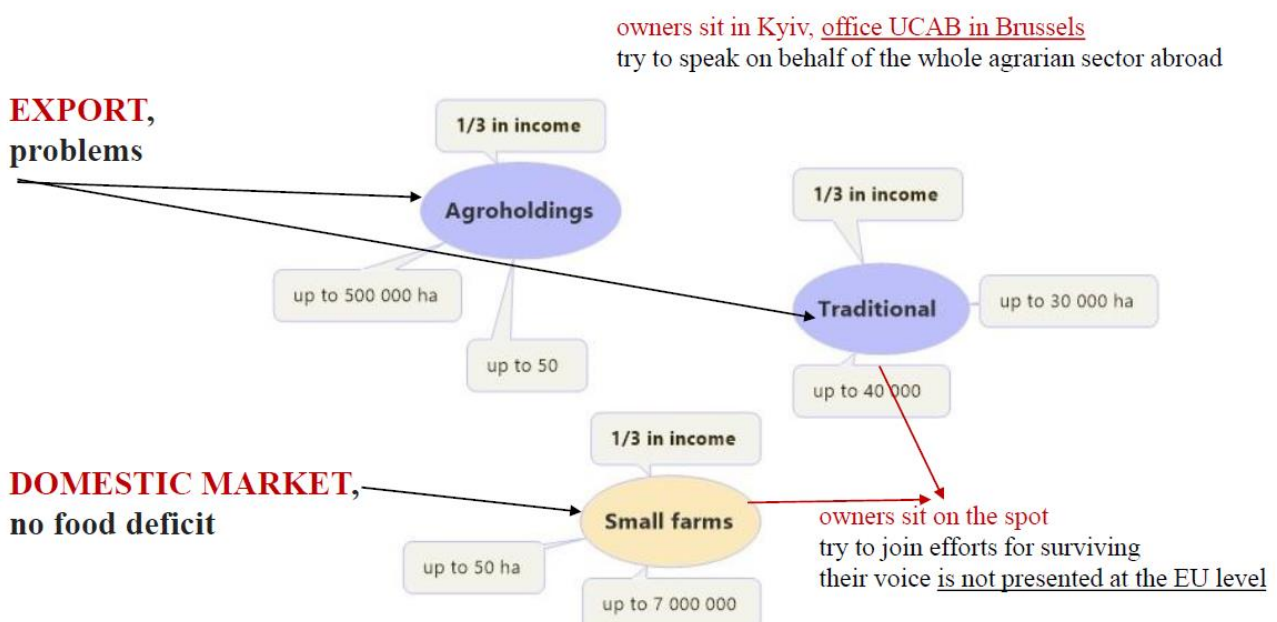
Ukrainian exports experienced huge problems during the war. Russia plays 'cats and mouse' with the Black Sea Grain Initiative, sea ways are blocked, delivering cargo to sea and river ports and next navigation is under great danger. Additional problems are caused by blocking roads in the East EU countries. It influences much, even deadly much, usual business activity of agroholdings and middle-sized producers of basic goods.

At the same time, small farmers, despite dragging away their labor forces for the army, continue to keep food production at the level sufficient for granting national food security and domestic prices for food at an acceptable level.

As owners of agroholdings continue to manage business from their offices in Kyiv, owners of traditional and small farms are still living and working in villages, trying to remain close to their lands and households. These two parts of the agrarian sector actually bear the burden of the war. They supply the army with food not only for money but very often for free, donate vehicles and other technical assistance.

Agroholdings dominate in state agencies, their labour forces are protected from mobilization much better than of middle enterprises. Small farms are suffering from mobilization and emigration the most. In comparison with bigger producers their losses are much more destructive and the whole number of small farms is essentially lesser than before the war. But food deficit during the war in Ukraine is absent, food is available for the population due to the activity of small farmers.

In 2023, a community of agroholdings established an office in Brussels. They try to present their own positions as interests of the whole agrarian sector of Ukraine. However, their position on 'opening the land market' that gives possible juridical bodies to buy 10 000 ha without any demand for professional knowledge and skills is completely opposite to the position of traditional and small agrarian businesses. They try to join their efforts to resist these trends, explain that it creates additional barriers for eurointegration. But capacities of small and middle business are restricted and their voice right now is not heard at the EU level.



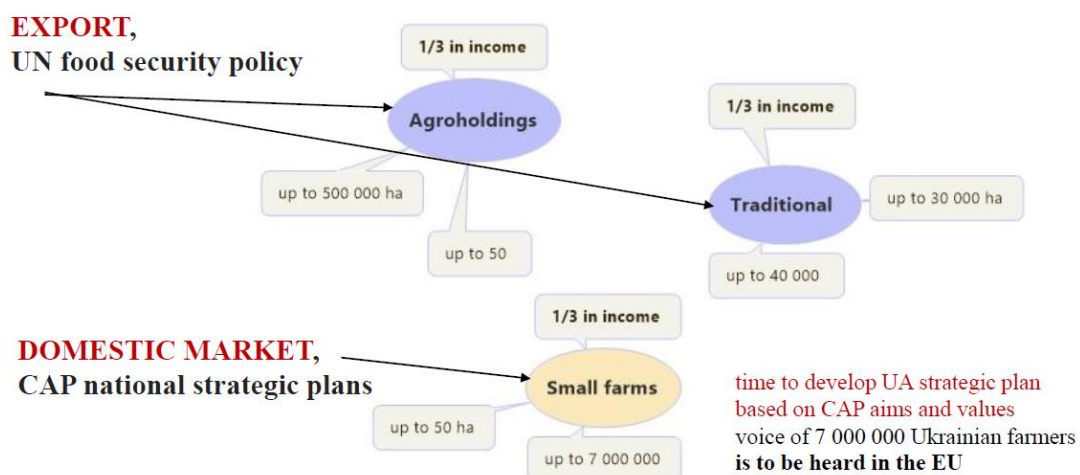


## Agrarian sector after the war

The EU helps Ukraine to overcome current problems much. But it is rather an immediate response to current problems that only multiplies problems. A sustainable policy for supporting and saving Ukrainian agrarian export is absent. But problems with Ukrainian exports and logistics are to be solved later or soon and such a situation opens a window of opportunities for creating common EU-Ukrainian policy aimed to guarantee world food security under the UN umbrella. From the perspective of the current situation and changes there is a need to redesign UN policy concerning world food security. The EU and Ukraine can contribute to protecting world food security together.

At the same time, the community of small farms and households is very similar to situation in the EU member countries. Even without being the EU member, Ukraine can develop its own CAP strategic plan, at least at the level of business associations and other civil society organisations. Even without sufficient support from the agrarian ministry, such a plan may be advocated in other state agencies, first of all in ministry of development of rural areas and eurointegration agencies. National strategic plan for agrarian and rural development in Ukraine is to be aimed at environmental, climate, social protection and innovations as it is in the other EU countries. And, of course, the voice of small and middle agrarian producers is to be heard at the EU level.

EU helps Ukraine much but the sustainable policy is absent  
time to start joint EU-UA world food security policy  
office UCAB in Brussels



## The 'take aways' from the message

- 1) Ukrainian agrarian sector much more similar to EU one that it is known in the EU.
- 2) Voice of only one part is heard at the EU level right now and it is not representative.
- 3) Ukrainian agrarian sector is diversificated but it is not an obstacle for EU-UA integration.
- 4) 'Common' UA-EU agrarian policy is to be composed of two parts: UN worldwide food security policy for agrohholdings and middle enterprises and EU CAP strategic plans for farmers.
- 5) We need close cooperation in developing and implementing common agrarian policy of Ukraine and EU.

## Final remark

Ukraine can strengthen agrarian and economic potential of the EU and we are obliged to find means and ways for this.