

Extended Abstract
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Paper/Poster Title	The impact of the Ukraine war on world grains prices
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Abstract prepared for presentation at the 97th Annual Conference of the Agricultural Economics Society, The University of Warwick, United Kingdom

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Abstract	<i>200 words max</i>
<p>The war in Ukraine, which started in February 2022, has disrupted the important Black Sea grain trade. Currently high food prices on the world market have been widely attributed to this conflict. At the same time, energy and fertilizer prices have both seen large increases. Preliminary estimates indicate that the direct impact of the war on world gains prices has been relatively modest. Higher fertilizer prices appear to have paid a larger role in the rise of food prices. These higher prices result in part from Western sanctions on Belorussia and the Russian Federation.</p>	
Keywords	Ukraine, wheat
JEL Code	Q11, Q17
Introduction	<i>100 – 250 words</i>
<p>The war in Ukraine, that started in February 2022, has disrupted the important Black Sea grain trade. At the same time, and partly as a consequence of the war and of Western sanctions, both energy and fertilizer prices have soared. The paper reports a preliminary analysis of the impact of the war on wheat and corn prices in the world market.</p>	
Methodology	<i>100 – 250 words</i>
<p>The USDA WASDE publications provide estimates of wheat production and end-crop year stocks levels by country for the 2021/22 and projections for the 2022/23 crop year. I use these estimates in conjunction with a simple model relating the wheat and corn prices to grain availability grain stocks and other factors to assess the price impact of production shortfalls and excess stockholdings in Ukraine and the Russian Federation. I extend the model to include fertilizer and crude oil prices and analyse the pass-through of these prices to grains prices. I attempt to assess whether, and to what extent, higher grains prices are a consequence of Western sanctions.</p>	



Results	<i>100 – 250 words</i>
<p>The conflict has evidently had a major impact on Ukrainian exports. Nevertheless, preliminary results show that the direct effect on world prices has been small (perhaps around 10%). The 2021/22 harvests were generous in both Ukraine and Russia and the levels of involuntarily held stocks are small in relation to other movements in world stocks. Production impacts may be larger in 2022/23 but these have been anticipated. Rises in fertilizer prices, in part due to Western sanctions on exports from Belorussia and the Russian Federation, appear to have had a more substantial impact on prices. Conditioning on fertilizer prices, there is no evidence of a direct impact of crude oil prices on grains prices</p>	
Discussion and Conclusion	<i>100 – 250 words</i>
<p>It is difficult to exaggerate the horrors of the war in Ukraine. Public discussion of the impact of the conflict on food prices has focused on the disruption of Ukrainian wheat production and exports. Although the war has resulted in major problems in Ukraine itself, these turn out to be only modest in relation to world grains markets. The rise in fertilizer prices, which has had a global impact, has played a much larger role in causing high food prices. A question that remains open is the extent to which higher fertilizer prices were a result to Western sanctions on Belorussia and The Russian Federation.</p>	