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EU Quotas Return: What It Means for Ukrainian Farmers in Wartime



Last week, the EU **reinstated** pre-war duties and quotas on Ukraine's agricultural sector, putting further pressure on the war-torn country's fragile economy.

The move affects Ukrainian agriculture — a cornerstone of both the national economy and global food security.

The EU aims to introduce new, reduced, long-term import quotas to replace the temporary trade liberalisation measures enacted in June 2022, following Russia's full-scale invasion.

However, the transition period and the risk that the solution will be prolonged are already causing concern among Ukrainian producers.

"The greatest impact will likely hit poultry farmers, as they were the primary exporters to the EU, mainly meat and eggs. The second affected sector is sugar. The third is wheat, which will be redirected to other regions instead of Europe," Mykhailo Sokolov, Deputy Chairman of the All-Ukrainian Agrarian Council, told the TA. "Wheat is a product that's easy to ship elsewhere without issues. Prices may be slightly lower, but this isn't a critical concern."

According to Ukraine's Ministry of Agrarian Policy, the European Commission's restrictions could result in macroeconomic and global **losses** of up to \$3.5 billion.

Market diversification

"The impact will vary by sector, significant but not devastating. For instance, corn exports face a quota, but exceeding it currently incurs zero duty, so there's no real effect," explains Mykola Solskyi, former Minister of Agrarian Policy and Food (2022–2024). "Other products, however, may face greater challenges, as quotas effectively block access to the European market for some Ukrainian producers, such as sugar exporters. Last year, our producers began pivoting to alternative markets."

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What Solskyi means is that the European Commission's **introduction** of an emergency brake in June last year (which lasted throughout 2024) on several Ukrainian agricultural products spurred sugar producers to diversify their markets.

As a result, Ukraine forged new export pathways, notably to Turkey, Libya, Jordan, and Cameroon.

In 2024, Ukraine's sugar **exports** hit a 27-year peak, with 750,000 tonnes shipped—a 45% surge from previous years. Consequently, after this year's introduction of the pre-war quotas, Ukrainian sugar exports remain robust, reaching new global markets, while other agribusinesses in the country are also pursuing diversification.

Agriculture and metallurgy have long dominated Ukraine's exports. But with major metallurgical plants, mostly located in the east, destroyed by the war, agricultural goods have taken the lead.

In 2024, they **accounted** for nearly 60% of the country's total foreign trade. Ukraine's primary agri-exports include sunflower oil, corn, wheat, rapeseed, and soybeans. Total agri-exports **reached** \$24.5 billion—just shy of the 2021 record of \$27.7 billion.

The struggle continues

These figures reflect remarkable resilience. Despite devastating losses, Ukrainian farmers continue to adapt.

The EU, as Ukraine's top trade partner, has played a key role in supporting this sector by waiving quotas. But with the reimposition of restrictions, Ukraine must now broaden its export geography while grappling with both direct, like Russian **shelling** and mine-

contaminated fields, and indirect consequences of war.

“The biggest issue is lack of lending and investment—market liquidity is low, and borrowing costs are high,” says Solskyi. “The second issue is limited market access. The third stems directly from war: labour shortages, night-time curfews, and frequent GPS disruptions during air raid alerts, which interfere with precision farming equipment.”



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Ukrainian farmers consistently devise creative solutions to daunting challenges. Images of tractors manually retrofitted for **demining** have gone viral on social media, while drones are now standard for soil **testing**, irrigation, and aiding sowing efforts.

Faced with relentless obstacles, farmers have shown extraordinary resilience, even preparing for extreme scenarios like a potential nuclear strike.

An anonymous official from the Ministry of Agrarian Policy recounted how farmers inquired about the certifications needed in the event of a Russian nuclear attack—a story that has become a humorous anecdote within the agricultural community, underscoring the sector’s unwavering adaptability and strength. However, the struggle continues.

“We’ve been set back to the export quota levels of 2021. Had the war not intervened, our quotas would almost certainly have expanded beyond those limits by now,” Sokolov

lamented.

To prevent a sharp drop in exports, Ukraine and the European Commission are negotiating a new solution, expected by June–July 2025.

Deputy Minister of Agrarian Policy Taras Vysotsky warns that without an agreement, current quotas could be exhausted by August or September under the “7/12 principle,” potentially halting key agricultural exports to the EU.

However, summer vacation months never promise to be productive, especially in European bureaucracy.

One option under consideration is to separate quotas by customs code. This would be a lifeline for products like flour and pasta, which are currently grouped under the same quota as grains and risk being edged out.

In the meantime, Vysotsky urges Ukrainian farmers and traders to continue seeking alternative markets for their products.