



THE IMPACTS OF THE WAR IN UKRAINE ON GLOBAL MARKETS— ONE YEAR LATER

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USDA's 99th annual Agricultural Outlook Forum
23 February 2023



Prices for grains, fertilizer and energy

Index based on constant US prices. 2010 = 100

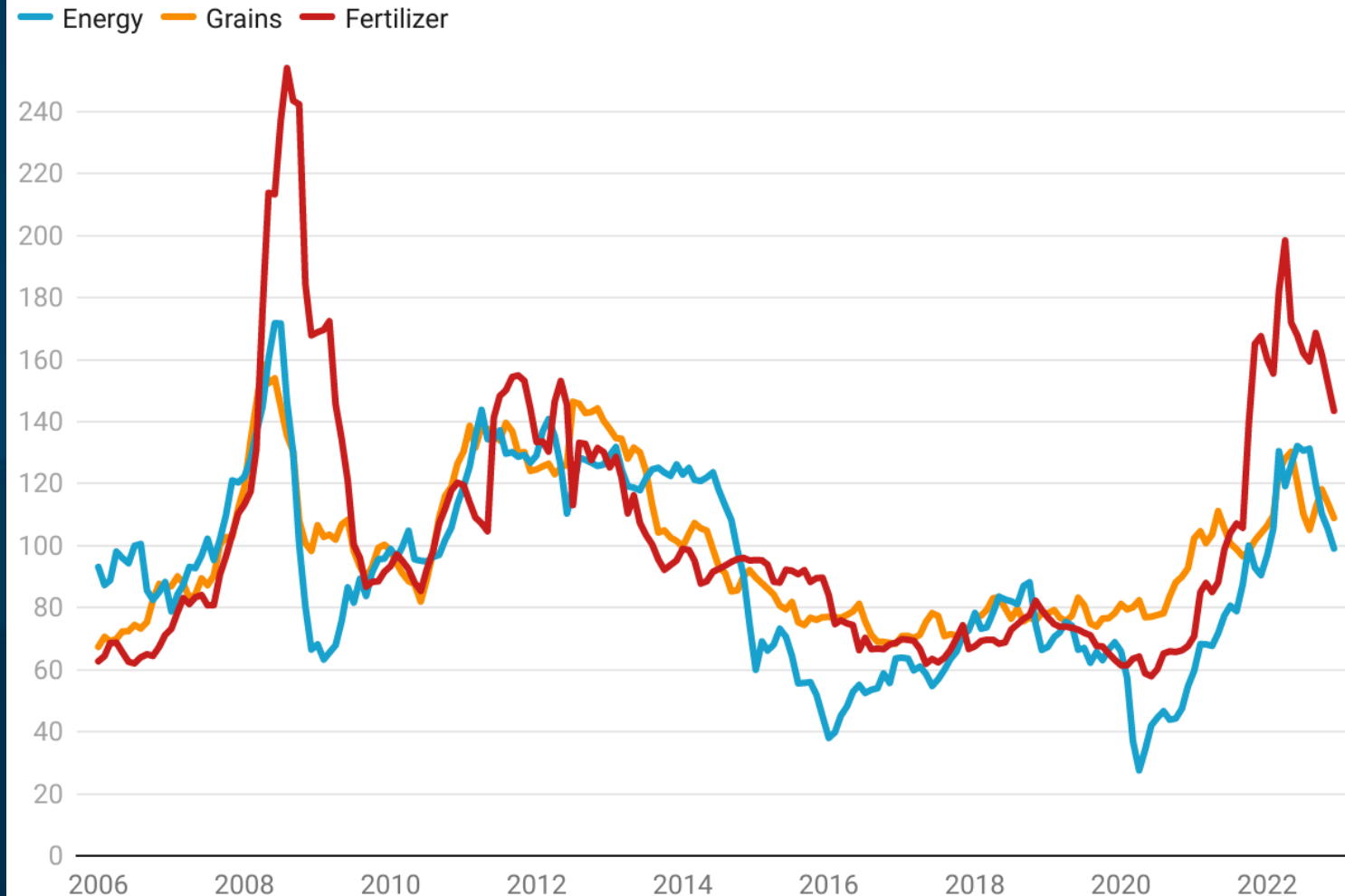
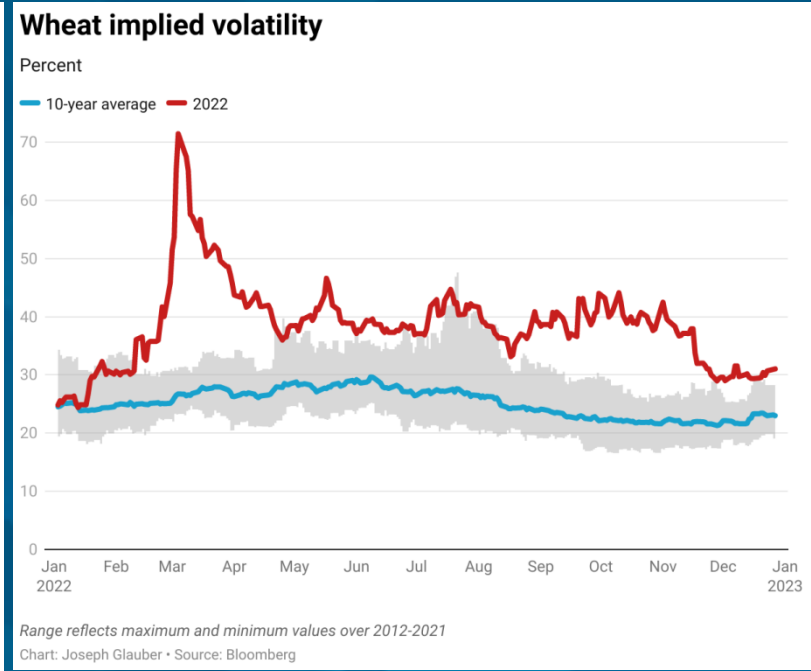
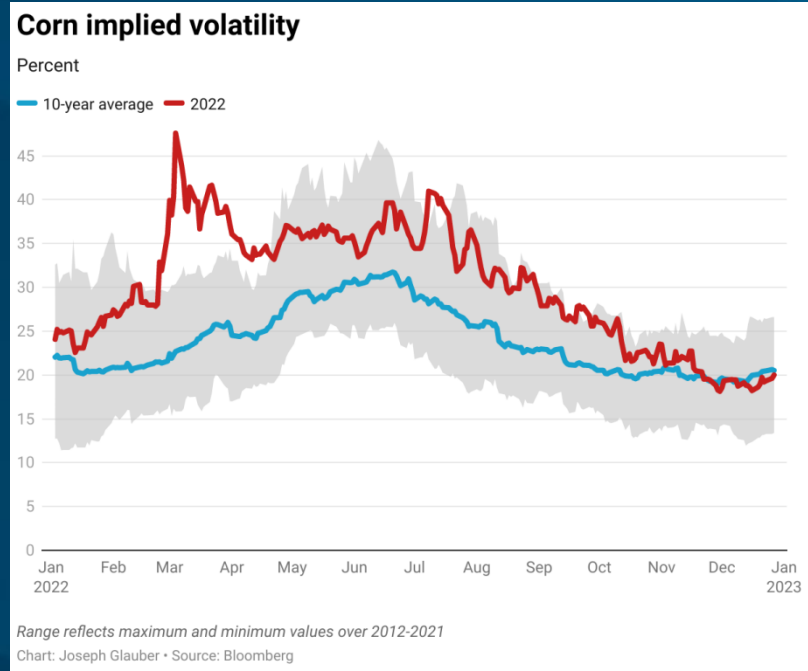


Chart: Joseph Glauber • Source: World Bank, BLS

**Prices have
fallen over
past 8 months
but still remain
high relative to
recent price
levels**



Price volatility has decreased for cereals and oilseeds



HARD WHEAT 2/8/2023 48 DAYS IN LOW VOLATILITY	SOFT WHEAT 2/8/2023 36 DAYS IN LOW VOLATILITY	MAIZE 2/8/2023 104 DAYS IN LOW VOLATILITY
SOYBEAN 2/8/2023 1 DAYS IN LOW VOLATILITY	RICE 2/8/2023 14 DAYS IN LOW VOLATILITY	COTTON 2/8/2023 485 DAYS IN HIGH VOLATILITY
SUGAR 2/8/2023 9 DAYS IN HIGH VOLATILITY	COFFEE 2/8/2023 100 DAYS IN HIGH VOLATILITY	COCOA 2/8/2023 7 DAYS IN LOW VOLATILITY

Days in volatility reflects the number of continuous days in the current level of volatility.





Impact of
Ukraine on
markets--one
of many
factors

Change in global wheat exports, 2022/23 versus 2021/22

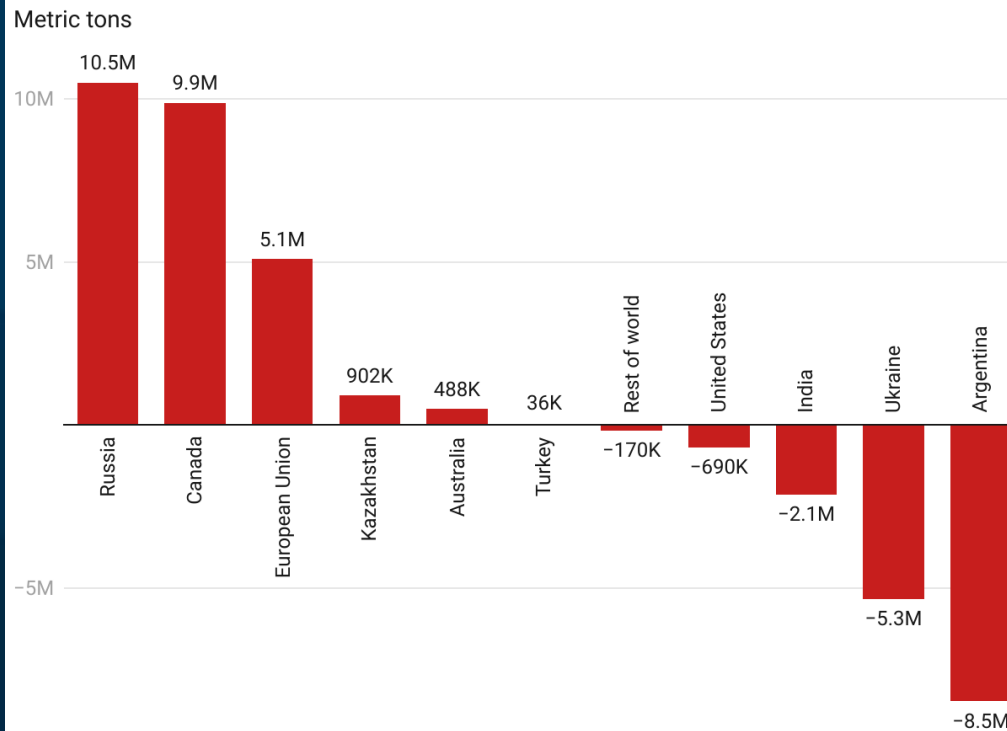


Chart: Joseph Glauber • Source: USDA/FAS PSD database February 8, 2023

Change in global maize exports, 2022/23 versus 2021/22

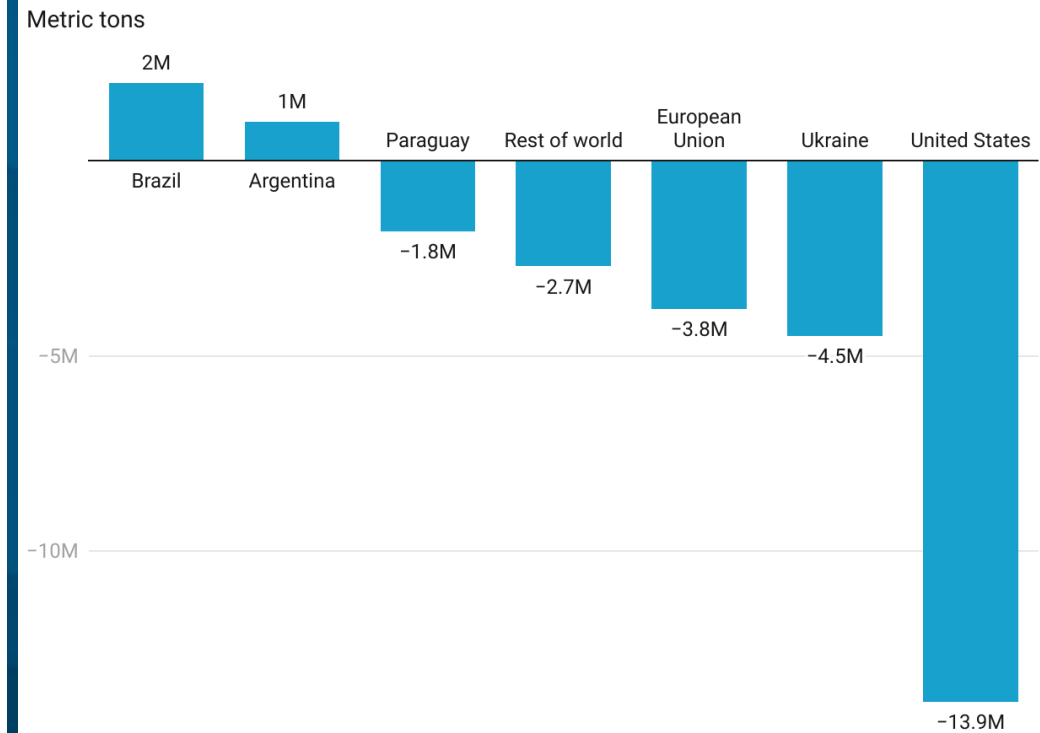


Chart: Joseph Glauber • Source: USDA/FAS PSD database February 8, 2023



**Stocks (excluding
China) tighten:
wheat lowest since
2007/08; maize since
2012/13**

Global ending stocks (excluding China)

Days of use

2020/2021

2021/2022

2022/2023

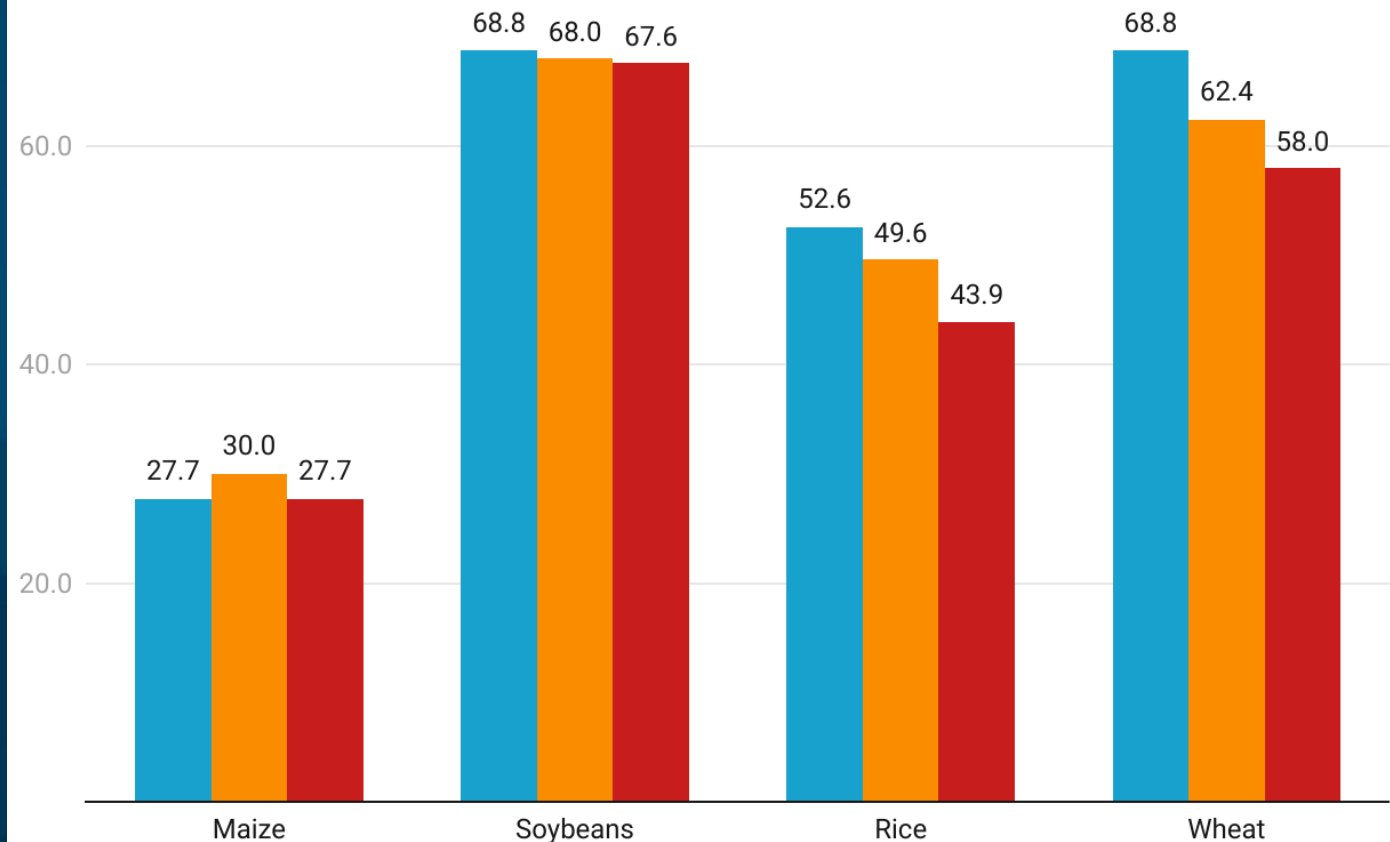
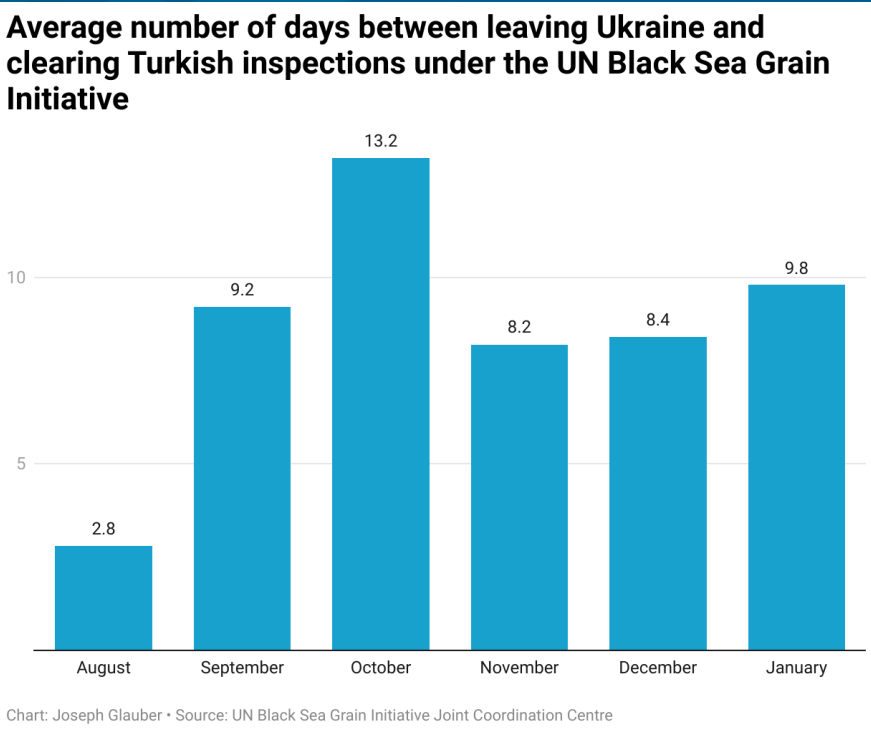
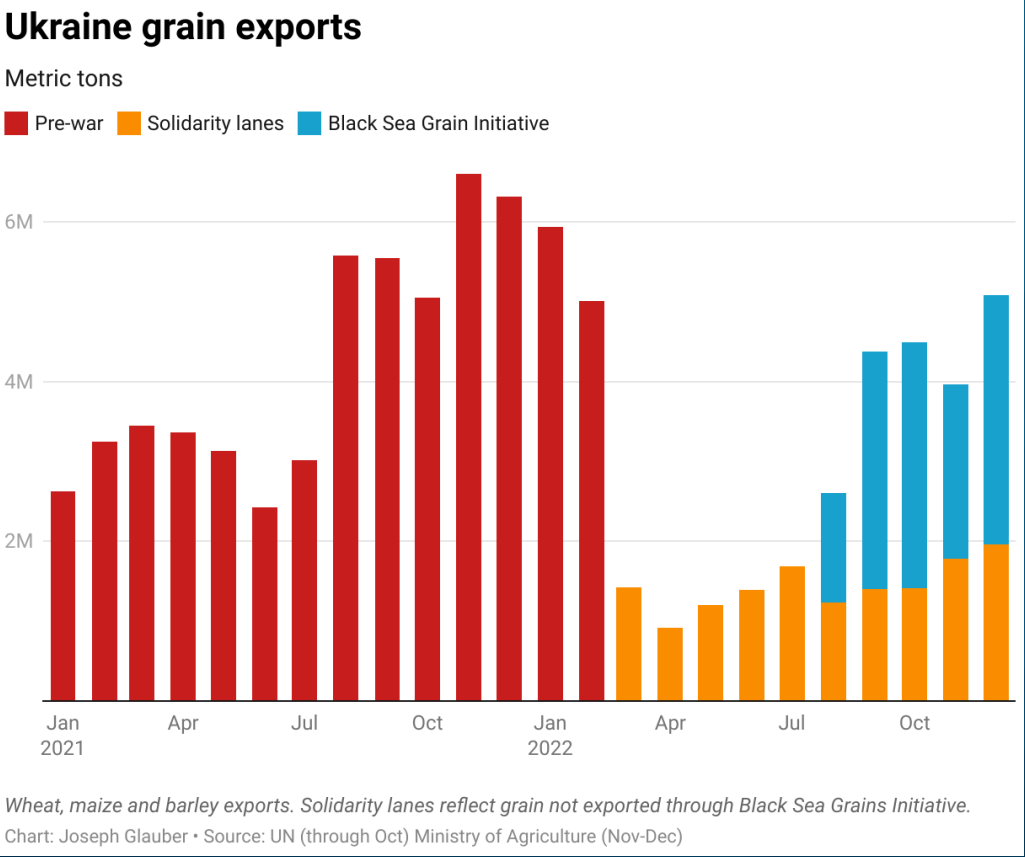


Chart: Joseph Glauber • Source: USDA/FAS PSD online (February 8, 2023)



Ukraine exports approach pre-war levels, but shipping costs are high due to delays in inspections.
→ lower prices for Ukraine producers



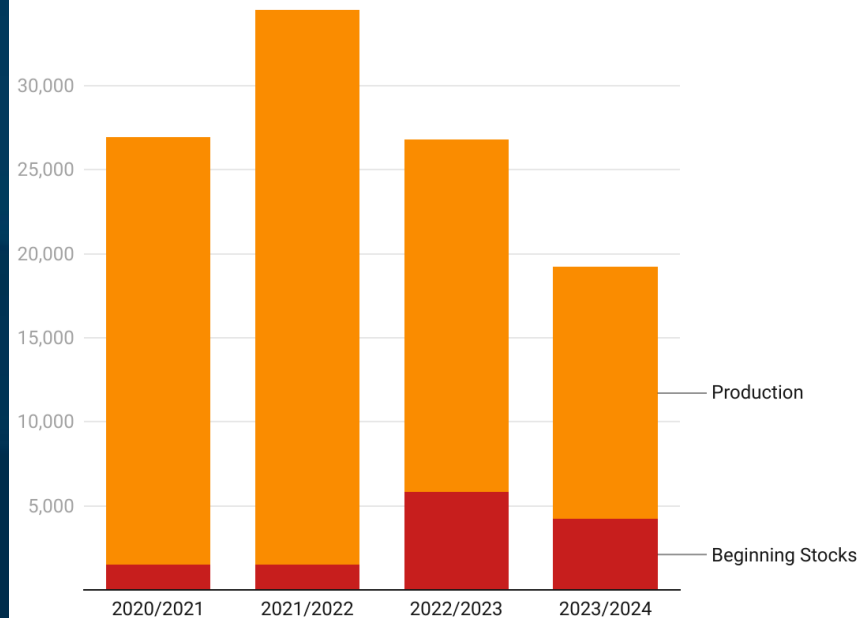


War's effects will be felt into 2023/24

**Ukraine
supplies
expected to
fall in
2023/24,
further
limiting
exports**

Ukraine projected wheat supplies

Thous MT

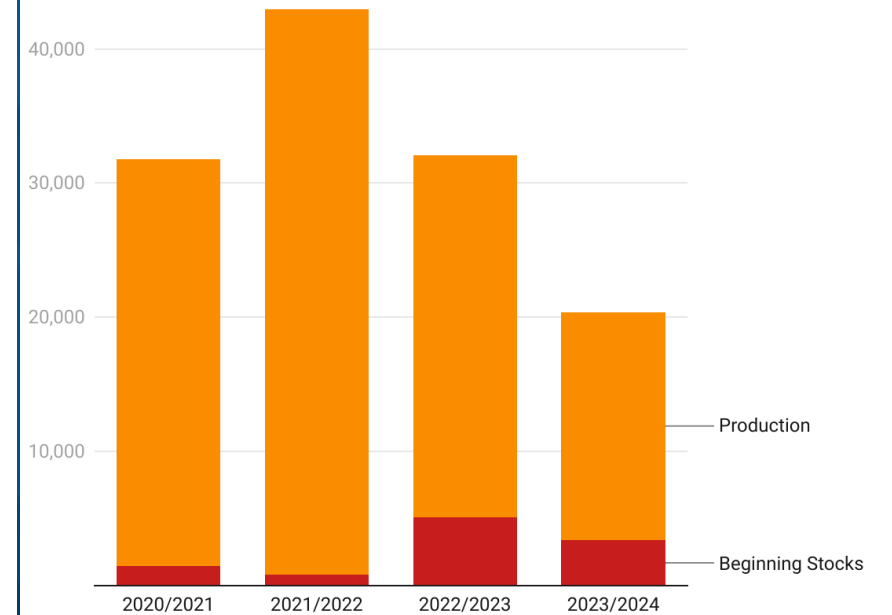


2023 crop estimates from IMC

Source: USDA/FAS

Ukraine projected maize supplies

Thous MT



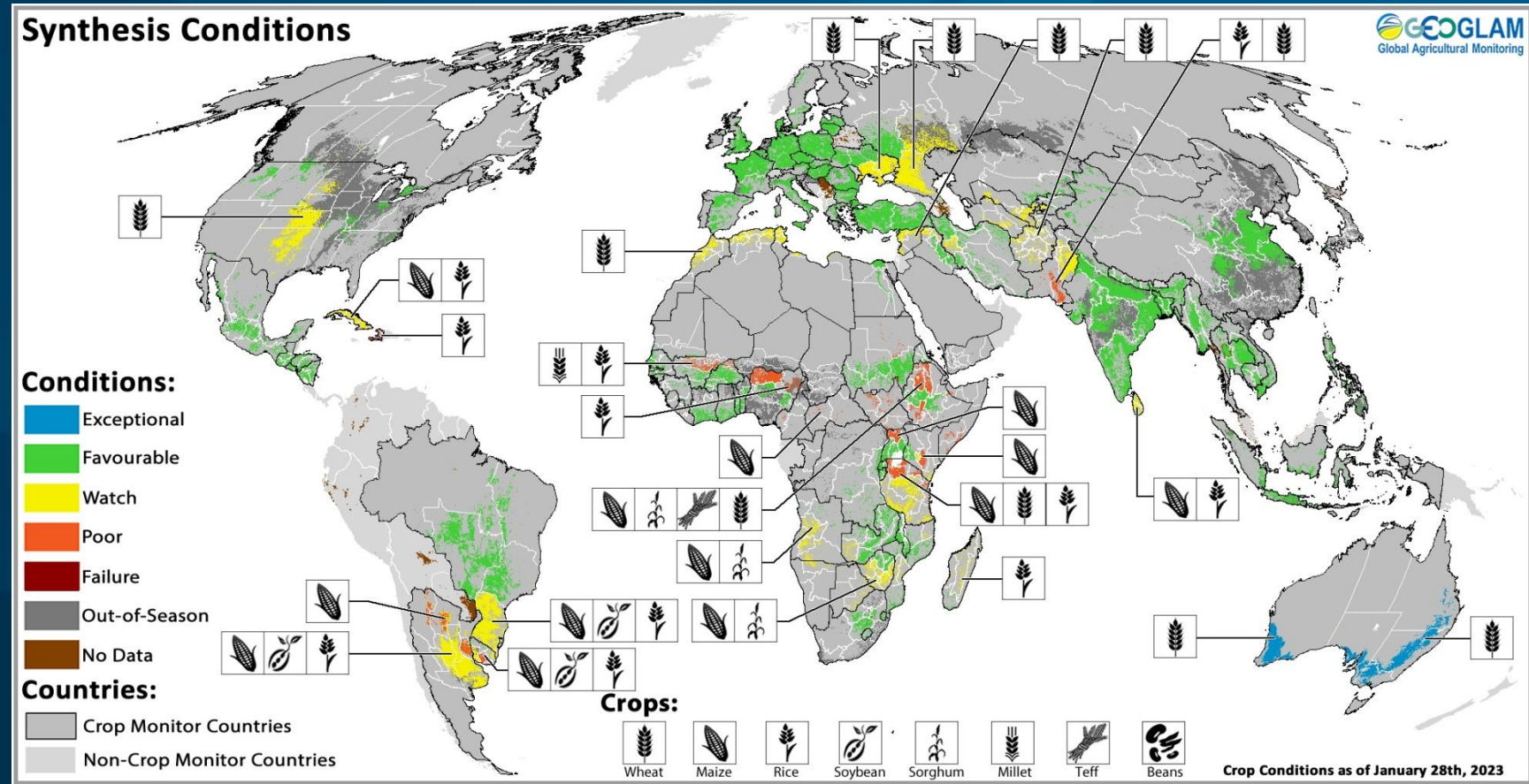
2023 crop estimates from IMC

Source: USDA/FAS



Global crop conditions

**Weakening
of La Niña in
southern
hemisphere;
crops in
northern
hemisphere
are in
dormancy**



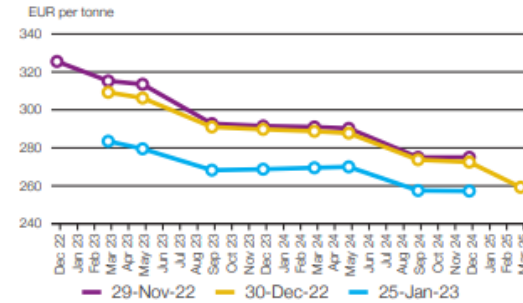
Source: <https://cropmonitor.org/>



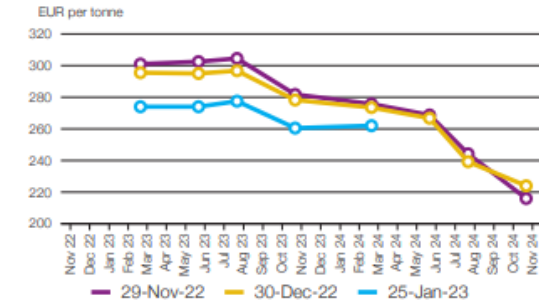
**Prices are expected
to moderate in
second half of 2023**

Forward curves

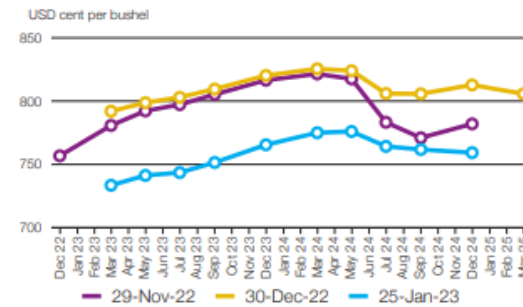
Euronext wheat (EBM)



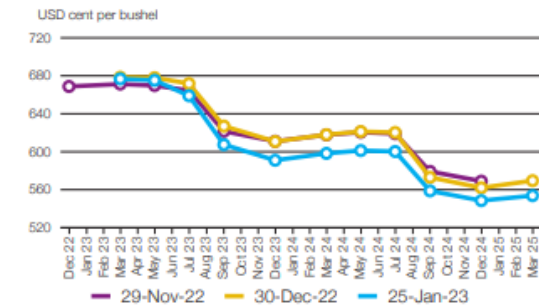
Euronext maize (EMA)



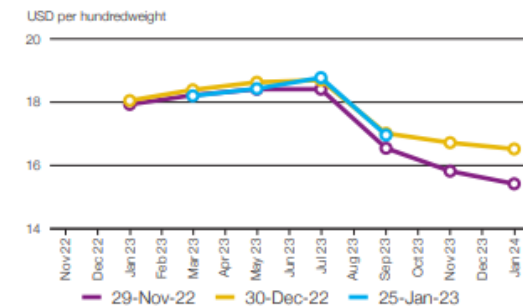
CBOT wheat



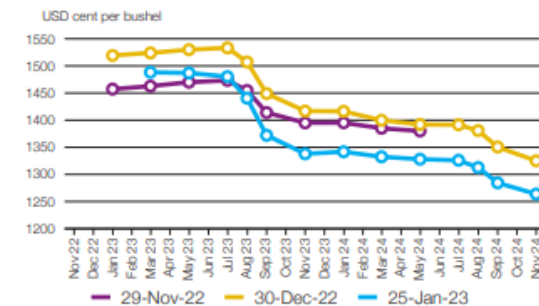
CBOT maize



CBOT rice



CBOT soybean



Source: AMIS Market Monitor, February 2023



Summary

Tight stocks and continued disruption of Ukraine supplies mean volatility will likely continue in global markets until 2023 crops are determined (2nd half of the year)

Low stocks means weather disruptions in major growing region could result in price hikes

High input costs (fertilizer) and lower commodity prices will mean a decline in profitability levels and could affect crop choice in 2023.

Bumper crops could help rebuild global stock levels



Thank you

Please visit:

<https://www.ifpri.org/landing/war-ukraine-blog-landing-page>