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**INTERNATIONAL TRADE IN AGRICULTURAL PRODUCTS IN VIEW OF CURRENT CHALLENGES**

In conditions of globalization, a single economic system is being formed, which is characterized by asymmetrical development of its elements caused by peculiarities and differences between countries in the process of their integration. The main task lies in ensuring efficient functioning economic systems and minimizing risks, as well as negative tendencies caused by global transformations.

To slow down and prevent deepening the world food crisis is one of pressing problems. The policy of import protection, inner support and price interventions still remains urgent in a lot of developing countries, and its influence is growing, which reflects the increasing significance of these countries in the international markets and in trade.

Agricultural sector of Ukraine suffered significant damage. According to calculations of Kyiv School of Economy direct losses of the agricultural sector for three war months have amounted to $4,3 billion, while indirect losses of the agricultural sector have been estimated at $23,3 billion. Main problems of the agricultural sector caused by military operations in Ukraine are as follows:

* Ukrainian territory occupation: destruction of production capacities, infrastructure, the problems of organizing sowing campaign, lack of fodder for animals, stoppage of agricultural enterprises, a great number of mined areas (about 100 thousand hectares – Chernihiv, Luhansk, Donetsk, Kharkiv, Kherson, Zaporizhzhia, Kyiv regions).
* Logistic problems: blocking agricultural products export routes (ports, in particular), destroying transport infrastructure, disruption/ desynchronization of logistic chains both inside the country and abroad.
* Reducing inner market volume and decreasing the purchasing power of the majority of the Ukrainians. Shortage of meat and dairy products consumption by the Ukrainians, that was observed still before the war, but it significantly increased in the war time.
* Lack of resources for agricultural production: shortage of fuel, certain types of fertilizers, lack of fodder, plant protection products, problems of material and technical support, as well as the increase in prices for means of production in the agricultural sector.
* Workforce issues: internal and external migration, mobilization to the Armed Forces of Ukraine, rising unemployment, psychological personnel problems: work in constant stress and threat
* Stealing Ukrainian agricultural machinery and products: grain (more than 600 000 tons), oil, vegetables, fruits, etc.

As a result of the above-mentioned problems of functioning agricultural sector, there is an increase in prices of agricultural products. The indicated problems exist at the moment. They have to be solved immediately. However, new problems can arise in the future too. According to the data of the Ministry of Agrarian Policy, next year the harvest can be reduced by up to 40% because of russia’s full-scale invasion. Today Ukraine has already lost 25% of arable land.

Due to UNCTAD research, grain export from Ukraine has almost stopped because of the war. In order to solve the global food crisis in 2022 the Black Sea Grain Initiative (BSGI) was formed as an element of restoring Ukrainian grain export across the Black Sea to the world markets. It enabled the poorest countries to get access to food, to stabilize world grain prices and to form an additional channel of fund inflow into the Ukrainian budget. In the pre-war period agricultural food market took the second place in terms of export revenues in Ukraine’s economy structure after metallurgical complex. According to the data of the State Statistics Service, there was a significant increase in goods in 2021 compared to 2020 – of 34%, which corresponds to $72,82 billion, at the same time, export increased by 38,4% - to $68,09 billion. Generally, the foreign trade balance was negative both in 2021 and in 2020, but trade operations were conducted with more than 200 partner countries. In 2021 China was the most active partner for Ukraine’s export, it received goods worth $8 billion, which was 12,7% more than in 2020. Poland was on the second place with the figure $5,23 billion, which was the record growth 59,7% compare to 2020, Turkey had the third position, export to which increased by $4,14 billion, that is 70% higher than in 2020. Export structure includes ferrous metals, which were sold in amount of $13,95 billion, which is 81,45 higher compared to 2020. Grain was exported in the amount of $12,34 billion and the increase was 31,2%, fats and oils of vegetable and animal origin were exported for a total value of $7,04 billion, which is 22,5% more compared to 2020.

The European Union became the key trade partner during the war, here it substituted China, because logistic problems, political relations, China’s political position during the war, Ukraine’s losses in metallurgical complex reduced considerably the possibilities of bilateral trade. In September 2022 China took only the fourth place in export partner structure. Poland and Romania became the key Ukraine’s countries partners that provide about 23% of export. Russia as a market for Ukrainian production is not considered now, and the establishment of relations is not foreseen. The share of the European Union in Ukraine’s export structure increased from 41% in 2021 to 62% in 2022. Turkey, China and India became other great trade partners.

Foreign trade is one of the main factors of the country’s development, which directly affects its main economic indicators. In the conditions of instability, which are associated with the full-scale invasion of Ukraine by russia, the introduction of martial law, the blocking of the sea and other negative factors, it is important to look for alternative ways of exporting, using all possible types of transport and logistics supply chains.

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