PORTS BLOCKED: WHAT CAN SAVE UKRAINE'S AGRICULTURAL EXPORTS?

KEY MESSAGE

The intensification of Russian attacks on the ports of Greater Odesa, the Danube port cluster, civilian vessels, energy infrastructure and rail access routes points to a systematic effort to disrupt Ukraine's entire southern export network. As a result, the main route for Ukraine's agricultural exports has effectively come to a halt.

Alternative routes via the Danube, rail and road can partly mitigate the impact, but they cannot replace maritime shipping. A prolonged blockade would mean lower farm-gate prices, shortages of working capital and storage capacity, risks of non-performance of export contracts, and a loss of foreign exchange earnings for Ukraine.

KEY FIGURES

~90%	3 million tonnes	$135–150 M
of Ukraine's agricultural exports passed through the ports of Greater Odesa[1]	can be transported monthly via alternative routes, equivalent to around half of the capacity of the ports of Greater Odesa	in additional monthly costs could be incurred to transport 3 million tonnes via alternative routes, assuming a logistics premium of $45–50 per tonne

EXPORTS ARE ALREADY DECLINING

In July 2026, Russia sharply intensified its attacks on port infrastructure and shipping: 67 strikes on port facilities, 35 attacks on vessels in port waters and 22 attacks at sea were recorded. By comparison, only 14 attacks on vessels were recorded throughout 2025. By the end of July, new vessel calls at the ports of Greater Odesa had effectively ceased.[1]

In July, Ukraine exported around 3.7 million tonnes of agricultural products, down 23.4% from June. Grain exports fell by 25.1%, while oilseed exports fell by 43.7%. At the same time, exports of vegetable oils rose by 5.8%.[2]

-23% agricultural exports in July 2026 compared with June

According to the Ministry of Agrarian Policy and Food of Ukraine, prices for grains and oilseeds declined by 30% on average. In some respects, the current logistics situation is more challenging than in spring 2022.[1]

ECONOMIC AND STRATEGIC SIGNIFICANCE

The agriculture and food sector is one of the foundations of the Ukrainian economy. Before the full-scale war, it accounted for around 20% of GDP, 34% of exports and approximately 17% of employment. The Ukraine Economic Development Strategy to 2040, prepared jointly by WBU and BCG, estimated the sector's growth potential at around 60%, but realising this potential depends directly on access to affordable, competitive logistics.[3]

Seaports are core infrastructure. Rail, the Danube and road border crossings provide essential redundancy but cannot fully replace seaports for transporting bulk cargo.

~75% of Ukraine's exports could be handled by sea in a long-term strategic scenario.[3]

A prolonged blockade would mean not only near-term losses but also limits to the agricultural sector's long-term potential. The impact of port restrictions extends far beyond agriculture. According to the National Bank of Ukraine, Russian attacks on ports could reduce Ukraine's GDP by 0.9% in 2026. In the second half of the year, Ukraine could lose around $2.5 billion in export earnings.[4]

CAN MARITIME TRANSPORT BE REPLACED?

Estimates of the capacity of alternative routes vary. According to the Ministry of Agrarian Policy and Food of Ukraine, once fully deployed, the Danube, rail and road could jointly handle around 3–3.3 million tonnes per month, or 50–55% of the normal capacity of the ports of Greater Odesa. They are not expected to reach a relatively stable operating level before the end of August.[1]

Rail is the primary backup route. Its capacity is constrained by the capacity of border stations, different track gauges, the need to tranship cargo or change bogies to operate on the European-gauge network, as well as the availability of slots at European ports. Currently, less than 10% of agricultural cargo ipasses through western rail border crossings.[9]

<10% of agricultural cargo currently passes through western rail border crossings

The Danube can absorb part of the cargo flows, but due to drought, water levels remain historically low. This reduces permissible vessel draughtand cargo volumes per voyage, and slows fleet turnaround. In early August, more than 1,100 wagons were en route to the Danube ports, while the average daily unloading rate was around 50 wagons.[12]

The Danube port cluster also remains under constant threat of Russian attacks. It should therefore be regarded as a second maritime corridor, but not as a guaranteed safe route away from the frontline.

Even after the intensity of attacks declines, bringing shipowners back, restoring vessel call schedules and returning export volumes to previous levels may take at least a month.[1]

Road transport is suitable only for limited volumes and products with a relatively high value per tonne. In summer, freight traffic also competes for border-crossing capacity with buses and private vehicles. According to the State Border Guard Service of Ukraine, passenger traffic on the western border may increase by approximately 20% during the tourist season.[10]

WHAT DOES THIS MEAN FOR UKRAINE AND THE WORLD?

Pressure on producer prices. Higher logistics costs lead to lower purchase prices for agricultural products. As of 5 August 2026, the weighted average purchase price of corn under CPT-terminal terms was around UAH 9,100 per tonne, compared with UAH 11,000 at the beginning of August 2025, or approximately 18% lower.[5] This difference broadly corresponds to the additional logistics cost of $45–50 per tonne. Year-on-year price movements reflect not only port restrictions, but also the arrival of the new harvest, increased domestic supply, global prices and exchange-rate movements.

Liquidity constraints. Without regular exports, farmers and traders receive export proceeds more slowly, reducing the funds available to complete the harvest, pay for drying and storage, and finance the next sowing campaign. Lower purchases by traders increase the risk that farmers will be forced to sell their crops at prices that do not cover the full cost of production.

Risk of contract non-performance. Due to the physical inability to ship cargo, exporters may miss delivery deadlines, face penalty claims and lose foreign buyers. Force majeure does not apply automatically: the Ukrainian Chamber of Commerce and Industry certifies force majeure in relation to a specific contract, while the company must demonstrate a direct causal link between the blockage of shipping and its inability to fulfil the relevant delivery obligation. A force majeure certificate may release a company from liability for delay, but it does not extinguish the underlying contractual obligation.[6]

Risk of storage capacity shortages. According to the Ministry, the shortage of crop storage capacity could reach around 11 million tonnes by the end of autumn. Peak demand for storage capacity is expected in the autumn, coinciding with the corn harvest.[7]

Changes in the production structure. Costly and unreliable logistics encourage farmers to reduce acreage under logistics-intensive crops, particularly corn, in favour of crops that require less transport per hectare or have a higher value per tonne.

up to $3 billion	potential direct losses to the agricultural sector in 2026

Global food security. Ukraine accounts for around 6% of global wheat exports and 11% of global corn exports. Prolonged supply restrictions could increase global grain prices, freight costs and costs for humanitarian organisations. The greatest impact would be felt by countries in Africa, the Middle East and Asia that depend on food imports and have limited financial resources.[1]

Losses to the economy. Under the downside scenario of the Ukrainian Agri Council, if seaport operations remain suspended for an extended period, export capacity could fall to 1.7 million tonnes per month, while the surplus of agricultural products on the domestic market could reach 27.4–32.4 million tonnes.[8] According to the Ministry of Agrarian Policy and Food of Ukraine, direct losses to the agricultural sector in 2026 could amount to $1.5–3 billion.[1]

PRIORITY ACTIONS

01 **Protect the entire export network, not individual ports.** Critical assets on which the export chain depends need to be identified: energy nodes, port and port-adjacent railway stations, access tracks, berths, cargo-handling facilities, dispatching systems and communications.

Alongside air defence, there is a need for backup transformers, generators, mobile cargo handlers, spare parts and pre-arranged framework contracts for emergency repairs. Some backup equipment should be stored outside port areas to avoid its loss in subsequent attacks.

02 **Bring shipowners back to Ukrainian ports.** Physical protection of port infrastructure and shipping remains a fundamental prerequisite for restoring exports, but its scope is limited, particularly at sea.

Economic instruments are therefore also required: war-risk insurance, partial compensation of insurance premiums, and the reinstatement of state guarantees for compensation of damage to shipowners, which were in place in 2023 under Cabinet of Ministers Resolution No. 548. The mechanism provided for compensation for damage suffered by charterers, operators and shipowners as a result of war risks, including where an insurer refused payment. This does not eliminate the security threat, but reduces financial uncertainty and makes vessel calls at Ukrainian ports more predictable.

03 **Establish end-to-end routes to European ports.** Regular scheduled rail services are needed from Ukrainian grain elevators to Constanța, Polish and Baltic ports, supported by guaranteed port slots, 24/7 customs, phytosanitary and veterinary controls, and digital queue management on key routes.

On the Danube, measures should include coordination of barge and vessel traffic, roadstead transshipment, and reserve cargo-handling capacity on the Romanian side. At the busiest road border crossings, dedicated time slots should be introduced for agricultural cargo, which would help reduce competition between freight and passenger traffic during the summer tourist season.

04 **Allocate scarce transport capacity based on cargo economics.** Maritime routes should be used to the maximum extent possible for grain, oilseed meal, vegetable oil and other bulk cargoes shipped in large volumes.

Rail and road routes should be prioritised for processed products, packaged goods, foodstuffs and containerised cargo with a higher value per tonne.

05 **Prevent forced crop sales.** Farmers who are unable to ship grain still need to finance drying and storage, payroll, debt servicing and fertiliser purchases. When working capital is scarce, they may be forced to sell crops at any available price and cut spending for the following season, including on fertiliser, creating a risk of lower future yields.

Two main instruments are needed: bank lending secured against grain in storage, with partial interest-rate subsidies, and partial compensation for temporary storage costs and the higher cost of alternative logistics.

At the same time, periods during which shipping is impossible should be officially documented. This would strengthen exporters' evidentiary position when substantiating force majeure under specific contracts and reduce the risk of contractual penalties.

CONCLUSION

Ukraine's agricultural exports will be saved not by a single alternative route, but by a protected network of export corridors.

The ports of Greater Odesa should remain the mainstay of maritime exports. The Danube corridor should serve as a backup route, but it also requires protection, backup power supply and rapid recovery capacity. Rail and the western border should provide additional resilience and primarily handle higher-value products.

5.5–6 million tonnes	realistic short-term target for monthly agricultural export capacity

According to WBU estimates, a realistic short-term target is to restore overall agricultural export capacity to 5.5–6 million tonnes per month. This is important not only for Ukrainian producers and the country's foreign exchange earnings, but also for the stability of global food markets.

At the same time, the current crisis is not a one-off episode, but a scenario that may recur. The risk of port blockades should therefore be factored into infrastructure planning from the outset. This applies not only to agriculture, but also to metallurgy, the chemical industry and fuel imports. This principle should also be embedded in the preparation of new transport projects.

A case in point is the M-15 Odesa–Reni road, which is being prepared under the Ukraine Government PPF programme and the PREPARE Ukraine project. It is a key road corridor linking Greater Odesa, southern Odesa Oblast and the Danube ports. Part of the transport corridor passes through Moldova in the Palanca area.[11] TThe preparation of infrastructure projects should therefore ensure the operational autonomy and resilience of critical logistics corridors and minimise risks associated with routes that cross the territory of another country.

SOURCES

[1] Reuters; [2] Ukrainian Agribusiness Club; [3] Ukraine Economic Development Strategy to 2040, prepared jointly by WBU and BCG; [4] National Bank of Ukraine; [5] GrainTrade; [6] Ukrainian Chamber of Commerce and Industry; [7] Ministry of Agrarian Policy and Food of Ukraine; [8] Ukrainian Agri Council; [9] JSC Ukrzaliznytsia; [10] State Border Guard Service of Ukraine; [11] Ministry for Development of Communities and Territories of Ukraine, Ukraine Government PPF and PREPARE Ukraine project; [12] Open4Business.