

**STANDING COMMITTEE ON  
AGRICULTURE AND AGRI-FOOD**



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

**COMITE PERMANENT DE  
L'AGRICULTURE ET DE  
L'AGROALIMENTAIRE**

Ottawa, June 29, 2022

The Honourable Marie-Claude Bibeau, PC, MP

Minister of Agriculture and Agri-Food

Dear Minister Bibeau:

The House of Commons Standing Committee on Agriculture and Agri-Food devoted three meetings from June 6 to 13 studying how Russia's illegal invasion of Ukraine and the ongoing war is impacting global food security. The Committee heard important testimony from 17 witnesses, including parliamentarians such as Yuliya Klymenko, member of the Verkhovna Rada, Ukraine's parliament, and your Ukrainian counterpart minister Mykola Solskyi, along with representatives from the Food and Agriculture Organization of the United Nations (FAO), the European Union (EU), the Canadian Foodgrains Bank and other organizations with a deep knowledge on the subject. Our Committee intends to continue this study and table a comprehensive report to the House of Commons this fall. However, given the urgency and severity of what we are collectively facing, the Committee felt it important to provide a series of suggested policy responses the Government can consider implementing as soon as possible. These recommendations are as follows:

1. Ukraine requires both short-term and longer-term infrastructure, because of the explicit targeting by the Russian Federation. The Government of Canada should begin work with international partners on reconstruction efforts; however, because 22 million tonnes of grain remains blocked, in the short-term, grain storage is essential. Therefore, the Committee recommends that the Government of Canada:
  - Provide temporary grain storage options for Ukraine, such as plastic grain bags directly at the farm level, no later than September 2022, to prevent grain spoilage.
  - Work with Ukraine and international partners to build grain storage facilities in Poland at the border.
  - Offer grain handling equipment (such as grain vacuums) to, in the short term, increase and speed transfer of grain from Ukrainian to EU rail systems.

2. Given the direct targeting of Ukrainian agriculture resources by the Russian Federation, the Committee recommends that the Government of Canada support the continued viability of Ukraine's agriculture sector in the following ways:
  - Work with Ukraine to replace lost agriculture resources such as seeds, machinery, fertilizer, and fuel needed to continue farming operations.
  - Cooperate with Ukraine to help rebuild the National Gene Bank of Plants of Ukraine facility that was destroyed in Kharkiv, by leveraging Agriculture and Agri-Food Canada and private sector resources and expertise.
  - Help ensure access to veterinary and phytosanitary services that enable continued and additional trade access at land borders.
  - Support Ukrainian farmers' exports to Canada by simplifying procedures for the approval of imported Ukrainian food products by the Canadian Food Inspection Agency while preserving food safety.
  - Provide robotic demining equipment and expertise to Ukraine to help clear the approximately 13% of arable lands that contain mines or unexploded shells.
  - Contribute to the financing of smaller farms in Ukraine that are crucial to growing fruits and vegetables and provide the necessary tree saplings as requested by the Ukrainian government.
  - Task Export Development Canada to provide a new type of policy insurance to cover political risks when Canadian businesses export to Ukraine.
  - Support joint Ukraine-Canada projects of food processing in Ukraine and task Export Development Canada and Canadian Commercial Corporation to develop a specialized program of support to Canadian businesses willing to participate in the projects.
3. The war in Ukraine has severe consequences for food insecure and vulnerable countries that are reliant in the World Food Program. The Committee has heard important testimony on the impact of international humanitarian assistance, and the importance of building capacity in developing countries. Therefore, the Committee recommends that the Government of Canada:
  - Increase Canada's international commitment through the Food Assistance Convention.
  - Work with United Nations countries to ensure adequate funding of FAO's Rapid Response Plan and the Global Food Import Financing Facility.
  - Work with international partners such as Oxfam and the World Food Program to ensure vulnerable countries, particularly those reliant on Ukrainian and Russian imports, have access to food.
  - Help build domestic capacity in developing countries by using organizations such as the Canadian Foodgrains Bank to share Canadian expertise, technology and innovation.
4. The Committee recommends that the Government of Canada ensure access to affordable fertilizer to maximize yield potential, while also exploring ways to work

with Canadian fertilizer producers to increase domestic production, including by encouraging and financially supporting the development of potential sources of domestically produced fertilizer to reduce Canada's dependence on external suppliers, particularly Russia.

5. The Committee recommends that the Government of Canada address pinch points in Canada's supply chain, such as port and rail capacity, to ensure Canadian agriculture commodities can reach global markets efficiently and reliably.
6. The Committee recommends that the Government of Canada make every diplomatic effort to unblock Ukrainian ports and ensure that Ukrainian grain can be shipped to importing countries; and that these efforts be undertaken in collaboration with the UN. This collaboration should include looking into creating security convoys with multinational escorts to ensure that commercial ships can export safely.
7. The Committee recognizes that the best way to protect global food security is for Ukraine to win the war. Therefore, the Committee recommends that the Government of Canada continue to evaluate all options in partnership with our allies to provide Ukraine with the necessary weapons, equipment, training, and heavy artillery to repel the illegal Russian invasion, open seaports and mitigate the global food crisis.

Attached you will find a summary of evidence highlighting key witness testimony that provides context to these recommendations. On behalf of the Committee, I have also copied other Ministers of the government whose portfolios have relevance on this important subject. The question of global food security is one of the most important issues facing us collectively in the days ahead.

Yours sincerely,



Kody Blois, MP for Kings–Hants

Chair of the House of Commons Standing Committee on Agriculture and Agri-Food

CC:

- The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance
- The Honourable Dominic LeBlanc, Minister of Intergovernmental Affairs, Infrastructure and Communities
- The Honourable Mélanie Joly, Minister of Foreign Affairs
- The Honourable Harjit S. Sajjan, Minister of International Development and Minister responsible for the Pacific Economic Development Agency of Canada

- The Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry
- The Honourable Seamus O'Regan Jr., Minister of Labour
- The Honourable Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development
- The Honourable Jonathan Wilkinson, Minister of Natural Resources
- The Honourable Anita Anand, Minister of National Defence
- The Honourable Omar Alghabra, Minister of Transport

## APPENDIX – WHAT THE COMMITTEE HEARD

### UKRAINE: A BREADBASKET OF THE WORLD

On 24 February 2022, Russia began a military invasion of Ukraine, causing major disruptions in a key region of the world in the international grain trade. According to data from the Food and Agriculture Organization of the United Nations (FAO), Ukraine, whose territory is directly affected by the conflict, ranked in 2020 among the top-exporting countries of the main grains traded in the world. It accounted for 43% of the world's total sunflower oil exports in 2020, as well as 22% of millet, 14% of corn, 13% of barley, 9% of wheat and 9% of canola.

Ukraine's grain supply is particularly important for developing countries where it represents a significant share of their supply. In 2019, 66% of Lebanon's total wheat imports, 53% of Tunisia's and 16% of Egypt's came from Ukraine. Many other developing countries, such as Indonesia, Kenya and Somalia, rely on Ukraine for ensuring their food security. As such, the current disruptions to Ukraine's ability to trade with the world present a major threat to world food security.

### THE IMPACT OF THE WAR

Witnesses familiar with the situation told the Committee that Russian military action in Ukraine has drastically reduced the country's ability to produce, harvest, and distribute its agricultural products, notably its grains. This reduction in output has important consequences well beyond Ukraine's borders, as many countries rely on imports of Ukrainian wheat, corn, barley, and sunflower oil to meet their nutritional needs.

At the primary production level, Dr. Maria Bogonos, Head of the Center for Food and Land Use Research at the Kyiv School of Economics, estimated that 20% of the country's arable land is currently under Russian occupation, resulting in a 40% reduction in its sunflower oil exports and a 50% reduction in its wheat exports. Dr. Lesia Ziburanna, a member of the Verkhovna Rada, Ukraine's parliament, explained that Ukrainian farmers face shortages of essential inputs, including fuel and fertilizer, jeopardizing their ability to operate. Several witnesses, including Ms. Yulia Klymenko, also a member of the Verkhovna Rada, and Maud Labat, a Trade Counsellor with the Delegation of the European Union to Canada, testified that Russia has targeted Ukraine's agricultural sector, including its farms, grain silos, research facilities, fuel storage facilities and transport infrastructure, as part of its military campaign. She estimated that 13% of Ukraine's arable farmland has unexploded mines and shells. The Ukrainian Minister of Agrarian Policy and Food, Mykola Solskyi explained to the Committee that Russia has stolen wheat from occupied regions of Ukraine and tried to export it. Witnesses also noted that internal displacement, external migration, and citizens leaving

their normal posts to join the Ukrainian military effort have created labour shortages, further limiting Ukraine's ability to produce food.

Russia has blockaded Ukraine's Black Sea ports, notably the country's largest seaport, the Port of Odessa, preventing grain vessels from reaching international markets. According to officials from Global Affairs Canada, Ukraine exported 95 % of its grain via its Black Sea ports before the invasion. Witnesses testified that alternative transport methods have insufficient capacity and face logistical difficulties in reaching foreign markets. Minister Solskyi, told the Committee that Ukraine's rail network, for example, is not interoperable with that of its European neighbours due to different track gauge standards, requiring Ukrainian rail cars to be loaded into trucks at border crossings. Ms. Klymenko explained that while Ukraine has increased the capacity of road, rail, and ports on the Dnieper River, these transport methods could only move a maximum of 1.5 million tonnes of grain a month. Dr. Bogonos similarly explained that, even if it operates at full capacity, Ukraine's rail network would only be able to transport 10% of Ukraine's previous export volumes.

This lack of export options has led to excess supplies of grain and placed pressure on Ukraine's ability to store them. Dr. Maximo Torero Cullen, Chief Economist at the FAO cited an estimate that between 20 million and 24 million tonnes of Ukrainian grain are currently in storage. Minister Solskyi explained that export blockades, damage from bombardments to elevators, and Russian seizures of grain silos have decreased Ukraine's grain storage capacity from a pre-war level of 85 million tonnes to a current level of only 60 million tonnes. Minister Solskyi estimated that the country's grain storage capacity may decrease to between 10 million and 15 million tonnes by October and asked for international assistance to build temporary grain storage facilities. Peter MacDougall, the Assistant Deputy Minister for Global Issues and Development at Global Affairs Canada, explained that there is a risk of grain spoilage if sufficient additional storage is not in place by September or October 2022. He also told the Committee that the United Nations was negotiating an agreement between Russia and Ukraine to help restore access to the Black Sea and accelerate the flow of grain exported from Ukraine.

## **CONSEQUENCES TO VULNERABLE COUNTRIES**

Ukraine, sometimes referred to as the "breadbasket of Europe," is an important supplier of wheat to the developing world. Ms. Yulia Klymenko estimated that the country feeds 400 million people worldwide normally, mostly in developing countries. Dr. Bogonos specified that countries such as Bangladesh, Egypt, Libya, and Yemen are highly dependent on shipments of Ukrainian wheat to meet their populations' nutritional needs. Lauren Ravon, Executive Director, Oxfam Canada, expressed concern that these disruptions will exacerbate food shortages, in particular in Kenya, Ethiopia and Somalia, which import 90% of their wheat from Russia and Ukraine and which are simultaneously facing unprecedented drought and ongoing conflicts. Mr. MacDougall told the Committee that shortages of food and fertilizer threaten to place further stress on countries such as Egypt, Ethiopia, Lebanon, Mali, South Sudan, and Yemen that also face significant economic and political challenges.

Dr. Torero Cullen told the Committee that in March 2022, the FAO Food Price Index, a monthly measure of the international prices of a basket of food commodities, reached its highest level since its inception in 1990. He attributed this increase in part to global uncertainty following blockades to Ukrainian ports and Russian export restrictions, while noting that prices were already at all-time highs as a result of strong demand and high input costs because of the COVID-19 recovery. Ms. Labat and Dr. Torero Cullen both explained that while high-income developed countries did not face immediate food security challenges, the situation in Ukraine has exacerbated already high prices for agricultural inputs, such as fertilizer and animal feed. Paul Hagerman, the Director of the Canadian Foodgrains Bank, explained that global food price increases pose important challenges for humanitarian assistance delivery. Mr. Hagerman recommended that Canada increase its humanitarian assistance, noting that its contributions under the Food Assistance Convention have remained unchanged over the past nine years, and consider pegging its food assistance to the FAO's Food Price Index. He also recommended a greater emphasis on agriculture and food security in Canada's international development assistance programming.

## **CANADA'S ABILITY TO RESPOND TO THE GLOBAL DEMAND**

Jean-Marc Ruest, Senior Vice-President for Corporate Affairs and General Counsel at Richardson International, noted that the situation in Ukraine has exacerbated pre-existing tensions in international supply chains and called for long-term efforts, including infrastructure investments and regulatory reform, to ensure Canada had sufficient export capacity, particularly for its grains and oilseeds, to meet global demand. Robert Saik, Professional Agrologist and Certified Agricultural Consultant, called on Canada to increase its output of agricultural products to help better supply international markets.

Catherine King, Vice-President of Communications and Stakeholder Relations at Fertilizer Canada, explained that Canada provides 12% of the world's fertilizer supply and that Canadian potash producers have expanded their production to help alleviate global supply shortages. She recommended further collaboration between the fertilizer industry and government to ensure a predictable regulatory environment that would allow Canada to remain a reliable trading partner. Mr. Saik recommended that Canada leverage its farmers' expertise in nutrient management, soil science and genetic engineering to help farmers in food insecure countries. Ms. King echoed this point, encouraging Canada to disperse its knowledge and best practices for fertilizer use globally to optimize nutrient uptake and crop production.

## **WINNING THE WAR AND REBUILDING UKRAINE'S AGRICULTURAL CAPACITY**

Ukrainian witnesses, including Minister Solskyi and Ms. Klymenko, emphasized their view that the solution to the country's export problems is primarily a military one. They also, however, offered several specific actions that would help restore Ukraine's capacity to grow and export food. In addition to the grain storage facilities mentioned above, Minister Solskyi

noted that many fruit farmers are either unable to plant or have switched to growing grains. He asked Canada to provide fruit tree saplings and share its technical expertise in orchard growing to help support Ukraine's fresh fruit sector, explaining that fruit production would also provide employment to internally displaced Ukrainians. Ms. Klymenko noted that several agricultural research facilities located near ports had undergone significant damage, including a plant breeding research facility in Kharkiv, and asked for Canadian assistance in re-equipping and increasing the number of export phytosanitary and veterinary laboratories in Ukraine.