

SEEDS AS UKRAINE HIGH-MARGIN SECTOR

Ukraine's seed market is a strategic but underestimated segment of the agriculture. Ukraine's seed usage is less dependent on imports, with growing exports to the EU compared to five years ago. But nearly a quarter of seeds supply is counterfeit or adulterated. Overall losses can be at \$490 M.

Key results of the previous 5 years

- Localization of production. Bayer, Corteva Agriscience, Syngenta, Limagrain, KWS, Lidea and others opened or expanded their own production in Ukraine. The number of plants grew from 8 in 2020 to 10 in 2025.
- Self-sufficiency for wheat, barley and soya. This reduces foreign currency payments. Output of certified seed increased from 75 K mt in 2020 to 500 K mt in 2024.
- Ukrainian cereal seed exports to the EU increased considerably, for ex. exports of corn seeds grew by 1800 % in 2021-2025.
- Ukrainian research and institutions, plus private companies in fact develop a full cycle of seed production.

However, according to Ukrainian Seed Association and the National Agrarian University, about 25% of sunflower, corn and soya seed is illicit. Up to 20% of area in the 2024/25 season was sown with seed of unknown origin. The World Bank classifies Ukraine among the most problematic countries outside Africa - alongside India and China.

The use of not certified seed results in a harvest decline by 12.5%. For corn and sunflower alone, the losses can be at \$313 M per year. If yield losses reach the predicted level of 25%, the figure rises to over \$625 M for just these two crops.

Losses from counterfeit seed (2026 conservative scenario)

	Corn	Sunflower
Sown area, M ha (2026 forecast)	4.45	5.5
Area sown with not recognized seed, %	20%	20%
Area sown with not recognized seed, M ha	0.9	1.1
Harvest decline by 12.5%, M mt	0.88	0.25
Average price, \$/mt	225	465
Losses from not recognized seeds, \$ M/year	195	117

Source: UkrAgroConsult calculations according to estimates of Ukrainian Seed Association and the National Agrarian University

Up to now seed identification relies on paper certificates and package labelling. Small and medium-sized farms purchase seed relying only on these indicators. Laboratory testing is paid only by large operators. Although new authentication technologies are available, they are only used on a small scale and are not supported by Gov't regulation.

The seed market faces a wartime paradox. Some farmers deliberately choose cheaper seeds of unknown origin because they see little point in spending a lot of money given the scale of military risk. While this is a rational decision in the short term, it supports the counterfeit market.

Ukraine risks becoming a producers of foreign brands without recognizing its own seed varieties if a national seed identity system is not developed. Romania can be considered a precedent for this scenario.

Under a conservative estimate, total losses to farmers and the state (lost harvest and wasted sowing investment) amount to up to \$490 M per year. With a 25% yield loss, the total exceeds \$625 M for these two crops alone.

The quality of total grain and oilseed production is determined by the seed sector. It is not possible for this sector to remain in the gray economy for 30 or even 50%.

Large and mid-sized farms can quickly gain access to high-quality seeds by digitizing the seed distribution chain and implementing targeted inspections and licensing rules. A testing of technology-based marking could launch this move.

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