BUCKWHEAT MARKET IS ENTERING ANOTHER UPCYCLE

Buckwheat market in Ukraine has always been highly sensitive to domestic prices trends. Between 2019 and 2023, farmers significantly expanded buckwheat production. Rising domestic groat prices, government support programs and improved profitability pushed buckwheat areas to a record 148 K ha in 2023 with production increase to almost 211 K mt.

However, domestic prices declined in 2023 and 2024, being the lowest in 5 years by May 2024. Profitability dropped sharply, meaning a start of another declining cycle. Buckwheat acreage has been declining since 2024 and is expected to continue falling through 2026.

Ukraine. Buckwheat Production

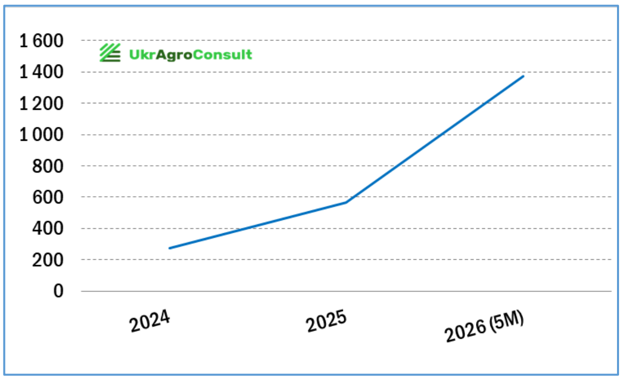
	2020	2021	2022	2023	2024	2025*	2026*
Area K ha	84	91	121	148	91	61	57
Yield mt/ha	1.16	1.15	1.22	1.42	1.25	1.2	1.29
Production K mt	97.6	105.8	147.7	210.7	113.7	73.7	73

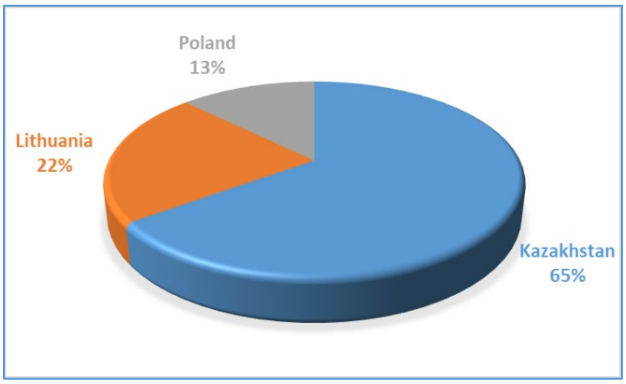
Source: Official statistics for 2020-2024, UkrAgroConsult forecast for 2025 and 2026

Low profitability remains the key reason behind shrinking production. Buckwheat yield per ha is considerably lower vs. wheat or corn. These export-oriented crops generate more stable revenues although depending on the global trends. Ukrainian farmers naturally prioritize crops with stronger export demand and more predictable pricing.

Production costs (higher diesel prices, more expensive agricultural machinery and rising fertilizer prices) continue to pressure margins. The next downward factor is higher energy prices directly increase buckwheat processing costs and influence retail groat prices.

Buckwheat imports, including groats, mt





Source: UkrAgroConsult basing on official statistics

Ukraine currently is a net buckwheat importer. Imports peaked in 2020 when domestic production was insufficient and processors relied heavily on imported grain. Historically, buckwheat was supplied mainly from russia and Kazakhstan.

Following the full-scale invasion, russian supplies stopped. Kazakhstan has since become Ukraine's dominant supplier.

The price trends confirm that buckwheat remains one of Ukraine's most cyclical agricultural markets. When acreage expands and production rises, grain and groat prices usually decline or stabilize. When acreage contracts, prices recover quickly, especially during the second half of the marketing year, when supply becomes increasingly tight.

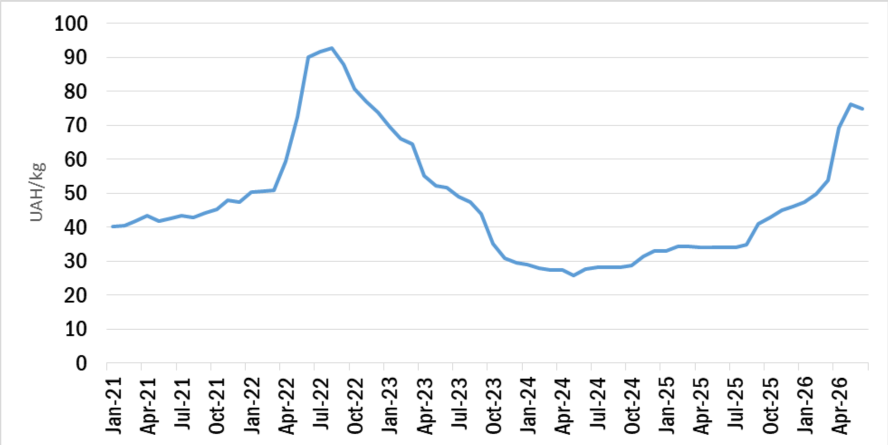
Historically, the sharpest price rallies coincided with falling production and declining carry-over stocks. During periods of economic or geopolitical uncertainty, consumers panic often expands price volatility.

The cycle is repeating again. Production fell to 113.7 K mt in 2024 and is forecast at only 73.7 K mt in 2025. For 2026, the Ministry estimates planted area at only 57 K ha - the lowest level on record. Production is expected to remain close to 70-75 K mt.

The 2026/27 season is expected to remain challenging. Limited buckwheat supply combined with relatively stable domestic demand is gradually improving prices, recovering farmers margins.

As buckwheat is considered a socially important food product in Ukraine, government attention will remain high. The state's role should focus on quality control and the development of transparent market mechanisms.

Retail prices for buckwheat groats, UAH/kg



Source: minfin.com.ua

Meanwhile, market participants are increasingly concerned about stronger competition from relatively inexpensive imports from Kazakhstan, which some operators believe may partly originate from russia.

Key market trends for 2026/27

- The buckwheat market is becoming increasingly uncertain, with weaker long-term planning and limited investment confidence.
- Until recently, processors secured most raw material through forward contracts. This season, however, forward contracting is much more difficult because future price levels are highly uncertain.
- To secure sufficient supplies, processors are increasingly introducing partnership programs with farmers that combine production support, guaranteed purchases and quality requirements.
- Quality is becoming one of the industry's biggest challenges. Glyphosate residues remain one of the main obstacles for expanding Ukrainian buckwheat exports to the EU. Ukraine allows up to 3 mg/kg of glyphosate residues, while EU regulations permit only 0.1 mg/kg. If shipments fail to comply with EU requirements, cargoes may be rejected, destroyed or returned to the exporter, often with additional financial penalties. According to market estimates, only 15–20% of Ukrainian buckwheat currently meets the low-residue requirements demanded by European buyers. This explains why export-oriented processors increasingly prefer to produce their own buckwheat or work with dedicated contract growers that completely avoid glyphosate use.
- Market participants believe the industry's long-term future will depend on export development. Ukraine has strong production potential, while existing buckwheat processing capacity exceeds

current grain production by almost ten times. The most efficient development model appears to be a combination of forward contracts and long-term partnership programs that guarantee both raw material supply and compliance with strict export quality standards. Removing the glyphosate issue may become one of the industry's most important competitive advantages over the coming years.

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