# Sunflower Oil 'Vanishes' as Ukraine War Grinds On

Several British supermarkets have joined other chains around the world in asking shoppers to limit their cooking oil purchases, as supplies dwindle and prices rise.

#### By Christine Hauser

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Global cooking oil shortages, exacerbated by the war in Ukraine, have led to purchase restrictions in Ashford, England.Credit...Steve Parsons/Press Association, via Associated Press

First the coronavirus, then the war. Just as the pandemic caused shortages of essential items, <u>Russia's invasion of Ukraine</u> has <u>disrupted important food supplies</u>, driving up prices of staples like cooking oil in supermarkets around the world.

Before the war, Ukraine was the world's largest exporter of sunflower oil. The conflict has now paralyzed harvests and left many nations with limited stocks of edible oil and soaring prices for what's left — worsening a food crisis in East Africa and leading to export restrictions in Indonesia. Some shoppers, most recently in Britain, are being limited in their purchases of cooking oils, as supermarkets and restaurants adjust to the climbing costs.

"Supply chains, already disrupted by Covid-19, have been further complicated by the war in Ukraine, which is causing shortages in some ingredients like sunflower oil and raising

the price of substitute ingredients," said Kate Halliwell, the chief scientific officer of the Food and Drink Federation, which represents Britain's largest manufacturing sector.

"Manufacturers are doing all they can to keep costs down, but inevitably some will have to be passed to consumers," she said.

Tom Holder, a British Retail Consortium spokesman, said retailers have imposed limits on customers after the war disrupted supplies.

Supermarket chains in Spain, Greece, Turkey, Belgium and other nations have limited cooking oil purchases, sometimes describing the moves as precautions in the face of increased demand, according to local news outlets. At Tesco, a major British chain, customers can buy up to three bottles of edible oil, "so that everyone can get what they need," as a flyer posted on a shelf says.



A field of sunflowers next to an oil refinery near the city of Lysychansk, in eastern Ukraine. Ukraine and Russia are the world's top exporters of sunflower oil.Credit...Dmitry Lovetsky/Associated Press

# Europe's breadbasket

Russia's invasion has devastated Ukrainian cities, homes, hospitals and schools — as well as the nation's agriculture, <u>preventing harvests and destroying granaries and crops</u> in a region known as Europe's breadbasket. Ukraine and Russia together had <u>accounted for about 75 percent of sunflower seed oil</u>, a primary cooking oil in many parts of the world.

But planting, output and trade have dwindled, and commodity prices have risen sharply, the World Trade Organization <u>said this month</u>. The United Nations' food agency has reported <u>sharp increases in the prices of vegetable oils</u>, influenced by the war and persistent drought in places like Brazil and Argentina.

Business owners in Britain have hesitated to pass on the costs to customers, racing to find alternative oils as prices rise.

Harry Niazi, who owns the Famous Olley's Fish Experience, a London restaurant, said the cost of a 20-liter jug of sunflower oil has jumped to 42.50 pounds, about \$55, from around 22 pounds, or \$29. "It's very, very scary, and I don't know how the fish and chips industry is going to cope. I really don't," he told The Associated Press.

In Britain, which imported 83 percent of its sunflower oil from Ukraine, shoppers are being asked to show restraint, and flexibility. Like Tesco, the supermarket Morrisons has introduced a cap, limiting shoppers to two bottles. Another, Waitrose, is working with suppliers to increase orders of other oils.

The disruption was so jarring that Britain's food standards agencies said last month that manufacturers were replacing cooking oils with rapeseed oil so "urgently" that some had been unable to change their labels as quickly.

England, Wales and Northern Ireland, to <u>assure consumers</u> the allergy risk of rapeseed oil was "very low" and that they were working to ensure foods manufactured with sunflower oil, including breaded fish, frozen vegetables and chips, remained on sale.

"Food businesses are reporting that U.K. supplies of sunflower oil are likely to run out in a few weeks with some businesses already experiencing severe difficulties," the agency said in a statement.

Companies have also tried to adjust with what's available, reformulating recipes with palm or soybean oils. Rapeseed oil, mostly intended for the biodiesel market, has been redirected to food use, according to a report last month by Fediol, a European industry group.

Spending on sunflower oil, Britain's most popular choice for frying, and vegetable oil rose 27 percent and 40 percent respectively, compared with the same period in 2021, according to figures supplied by Kantar, a British firm that studies consumer behavior.

Fraser McKevitt, an analyst at Kantar, said customers stocked up, aware of possible shortages and higher prices, before supermarkets started to introduce restrictions this month.

Cooking oil is the new toilet paper in Germany. Toilet papers vanished from the supermarket shelves following panic buying in 2020. Is it cooking oil this time? Germans

### Pivoting from sunflower oil

Ms. Halliwell said a quarter of the sunflower oil on the global market has "vanished" in the wake of the sanctions imposed on Russia, which cut off its industries from many markets. Adding to the uncertainty is how much sunflower seed was planted in Ukraine and how much harvest can make it to markets, she said.

In the United States, the war has put more pressure on domestic soybean producers trying to make up for shortfalls, Robb MacKie, the president of the American Bakers Association, said.

## **Russia-Ukraine War: Key Developments**

"Two of the three major edible oils export markets used by bakers are in complete turmoil — sunflower oil from Ukraine and palm oil from Indonesia," he said, calling for federal action to shift soybean oil stocks back into food instead of being diverted to biodiesel production.

"The disruption of this ubiquitous ingredient will cause further strain on America's food system," he said.

And price increases "will exacerbate the challenging cost environment that U.S. companies have been contending with for the last year," Katie Denis, a spokeswoman for the Consumer Brands Association, said in a report this month.

Other countries are feeling the pinch: Ukraine's primary export markets last year included India, China, the Middle East and North Africa, and the European Union, according to the U.S. Department of Agriculture. Rema 1000, a Norwegian supermarket chain, is considering a return to selling palm oil, which it had previously banned for environmental reasons, and its Danish affiliate has limited shoppers to three bottles of oil.

But that approach could be aggravated by an Indonesian ban on its palm oil exports, weather-related global shortages and the tightness in the market from the war, Oil World, an industry analyst group, said <u>in a report on Wednesday</u>.

In Norway, Christopher Harlem, the chief executive of the importer  $\underline{\text{Harlem Food}}$ , said some European companies were meeting demand — for now — by dipping into their stored supplies of sunflower oil.

"At some point, more oil will not be added to the storages," he said. "I cannot get hold of any sunflower oil at the moment, not at any volume that counts."

He added, "I think we have to face there is an upcoming shortage ahead, without doubt, and start thinking about adaptation and replacements."

Christine Hauser is a reporter, covering national and foreign news. Her previous jobs in the newsroom include stints in Business covering financial markets and on the Metro desk in the police bureau. @ChristineNYT