

Markets

Ukraine’s Kernel May Need a Year to Fix Chornomorsk Port After Russian Attack

- Russian missile attack has caused significant damage
- Kernel will need months to fix storage and handling facilities

By [Maciej Martewicz](#) and [Daryna Krasnolutska](#)

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[Kernel Holding SA](#), Ukraine’s largest sunflower oil producer, said it may need at least 12 months to restore facilities at the port of Chornomorsk after a Russian missile attack.

The July 19 strike “resulted in significant damage to the storage and grain handling capabilities,” the company said in a [statement](#) Thursday.

The attacks on southern Ukraine, which President Volodymyr Zelenskiy said were deliberate, came days after Russia announced it was exiting a deal allowing the shipment of grains via the Black Sea. Under the pact, Ukraine was able to export its foodstuffs, helping to boost the economy and tame global food inflation.

In addition to the infrastructure damage, a fire partially destroyed and damaged 60,000 tons of grain that was to be loaded onto a ship for China, Kernel said. The vessel had spent more than 60 days in line for the so-called grain corridor but couldn’t be loaded.

Read more on the Black Sea situation:

- [US Warns of Russian Threat to Civilian Grain Ships in Black Sea](#)
- [Ukrainian Grain Exports Under Siege: Brussels Edition](#)
- [Wheat Rises 9% as Russia Warns on Safety of Ships to Ukraine](#)

There is a risk that operations at several Ukrainian oilseed processing plants may be suspended and the processing pace of sunflower seeds and rapeseed reduced by more than 30%, Kernel said. This would “significantly impact” global prices for sunflower oil, resulting in an additional 20-25% increase, the producer said.

[Wheat](#) prices rose again Thursday after Russia warned that all ships sailing to Ukrainian grain ports would be considered military vessels. Kernel shares added as much as 2.1% in Warsaw after closing down 6.2% yesterday.

“Further attacks on Ukrainian ports, increased risk to industrial complexes, and the inability to export grains by sea routes will lead to a 30-40% increase in prices for corn and wheat in the short term,” Kernel said.

(Adds details from Kernel from second paragraph.)

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72.34 USD/bbl.
▼ -0.96%

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S&P/TSX Comp...	20,405.91	▼ -0.02%	
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