



## Organic market development in Ukraine

**Facilitating the integration of Ukrainian small and medium-sized enterprises into international trade by strengthening their competitiveness through certified organic production.**

### Why organic in Ukraine?

Ukraine has a huge potential for organic agriculture. Organic is a rapidly growing international market providing interesting business opportunities for Ukraine. There are currently over one hundred certified organic operators (farmers, processors, etc.) active in Ukraine, responding to growing international and national demand. Organic farming can play an important role for the sustainable development of Ukraine by counteracting the degradation of valuable Chernozem (black) soils. In recent years, the humus content of these soils has been dramatically depleted and the soil life greatly reduced. As a consequence, yields are far below what they should be.

### About the project

The goal of the project is to facilitate access to international markets for small and medium-sized enterprises through certified organic products. In order to increase the competitiveness of the organic sector, value chains are developed that meet international standards and respond to market demand in terms of quality and volume. The focus is on both the domestic and international market, including measures that help to foster a conducive business environment. The project is funded by the Swiss Confederation through the State Secretariat for Economic Affairs (SECO) and implemented by the Research Institute of Organic Agriculture FiBL (Switzerland) in partnership with the organic stakeholders in Ukraine and the Ministry of Agricultural Policy and Food of Ukraine.

### Project components

The project focuses on developing certified organic value chains with a strong market potential: arable crops for the export market and dairy products for the Ukrainian market. The value chain development will be accompanied by measures that foster the provision of professional consulting services and a conducive business environment for the organic sector through policy dialogue at regional (*oblasts*) and national levels. In addition, the project seeks to pro-

mote the economic development of the Ukrainian Carpathians, an area with strong tourist potential, by establishing a trademark for regional food products.

## **Who benefits from the project?**

The direct beneficiaries of the project are small and medium-sized enterprises in the organic sector and the Carpathian region. As well as farmers, the beneficiaries include processors, traders, retailers, exporters and service providers. The project is also building capacity among policy makers at a regional and national level. Indirect beneficiaries are consumers who will benefit from a wider range of organic products and regional Carpathian products.

## **Practical approaches**

- The project uses two distinct methodologies for developing the organic value chains: the Leader Approach and the Participatory Market Chain Approach (PMCA).
- The Leader Approach involves working directly with leading actors within the two organic value chains. These 'leaders' have the economic resources to drive the innovation process (using their own investments) and to play a pioneering role in developing new markets. They also act as knowledge hubs and role models for the other stakeholders within each value chain.
- The PMCA is used in developing the component relating to the trademark for products from the Ukrainian Carpathians. It aims to build trust and facilitate cooperation along the value chain, thus helping producers and other actors to develop and exploit new market opportunities.

### **Successful presence of Ukraine at the world's leading organic fair**

In February 2014, Ukraine had its first ever organic country pavilion at Biofach 2014, the world's leading Organic Trade Fair. Thanks to the Swiss-Ukrainian Organic Market Development Project, nine Ukrainian companies reached the quality standards to showcase their products at Biofach. The Ukrainian exhibitors were very positive about their presence at the trade fair. "Participation in Biofach helps to build trust and credibility into Ukrainian organic products, something which is a key factor to success," said Tobias Eisenring, project leader of the Swiss-Ukrainian organic project.

One of the exhibitors, Vasyl Martynchuk from Rivneholod commented on the first Ukrainian pavilion at the organic trade fair as follows: "I have visited Biofach seven times, but this year was the first time we exhibited there. We are very satisfied with our participation; all our foreign partners came to visit our stall and they were impressed with the professional presentation of our products. We also made a lot of new contacts." His colleagues had similar positive experiences.

*Further information: [www.ukraine.fibl.org](http://www.ukraine.fibl.org)*