



The status and potential of organic agriculture in Ukraine

A background document for the Greening Economies in the Eastern
Neighbourhood (EaP-GREEN) partnership programme



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Foreword

This report was prepared by Natalie Prokopchuk and Gunnar Rundgren for the organic agriculture component of the EU-funded "Greening Economies in the Eastern Neighbourhood (EaP-GREEN)" partnership programme. It was revised and updated by Alex Leshchynskyy. Verena Balke from UN Environment reviewed and edited the final draft. The report was originally produced in 2011, as background material for the UN Environment report "*Organic Agriculture - A step towards the Green Economy in the Eastern Europe, Caucasus and Central Asia region*".

In this edition, data and sections on marketing, standards and certification have been updated; new sections on trade barriers have been added; and the overall report has been condensed. As there is little information available from public resources, most of the information collected for this publication stems from traders, organisations and projects active in the Ukrainian organic sector. The responsibility for the content of this report remains fully with the authors.

List of Acronyms

CCB	Coalition Clean Baltic
CIS	Commonwealth of Independent States
CBD	Convention on Biological Diversity
DCFTA	Deep and Comprehensive Free Trade Area
EaP-GREEN	Greening Economies in the Eastern Neighbourhood Partnership Programme
EC	European Commission
EU	European Union
FAO	United Nations Food and Agriculture Organisation
FAOSTAT	Food and Agriculture Organization of the United Nations - Statistics Division
FiBL	Research Institute of Organic Agriculture
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GMOs	Genetically Modified Organisms
GoU	Government of Ukraine
ha	Hectares
IFOAM	International Federation of Organic Agriculture Movements
IMO	Institute for Marketecology
ISO	International Organization for Standardization
NGO	Non-Governmental Organisation
OEC	The Observatory of Economic Complexity at the Massachusetts Institute of Technology
OFU	Organic Federation of Ukraine
OSW	Centre for Eastern Studies (Ośrodek Studiów Wschodnich)
SECO	Swiss State Secretariat for Economic Affairs
SGS	Société Générale de Surveillance
SIDA	Swedish International Development Cooperation Agency
SME	Small and Medium-sized Enterprise
SPS	Sanitary and phytosanitary
UAH	Ukrainian Hryvna (national currency)
USAID	United States Agency for International Development
USDA NOP	United States Department of Agriculture - National Organic Program
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
WTO	World Trade Organisation

Executive Summary

Ukraine is a lower middle-income country with roughly 46 million inhabitants, 32 per cent of which live in rural areas. In 2013, the net output of the Ukraine's agricultural sector made up 10.3 per cent of the country's gross domestic product (GDP) and employed 17.5 per cent of its total labour force, aged 15-70 (World Bank 2015; Ukrstat 2014a; Ukrstat 2013a). Ukraine is a net exporter of agricultural and food products and one of the world's largest exporters of sunflower oil, grain and sugar (FAO 2012).

The historically low levels of pesticide and fertiliser use, the significant number of small farms and the availability of agricultural labour, as well as the close proximity to European Union (one of the biggest and fastest growing markets for organic products) – all make the country ideally suited for organic production and trade. Ukraine's organic agriculture area increased from 164,449 hectares (31 certified farms) in 2002 to 393,400 hectares (175 certified farms) in 2013 (Organic Federation of Ukraine 2015). Organic production consists mainly of exported arable crops and wild collection products, as well as flour, bread, dairy, oils and vegetables that are sold on the domestic market. While most organic producers are focused on exports to the European Union (EU), the domestic market is growing rapidly and over 2,000 organic product sale points were registered in 2013. What is more, Ukraine's 2014 Deep and Comprehensive Free Trade Area (DCFTA) agreement with the EU, is expected to make the country's agricultural produce more competitive on the EU market, while also simplifying market access for organic products.

The promotion of organic production reduces greenhouse gas (GHG) emissions (compared to those resulting from conventional farming practices), while increasing farmers' resilience to climate change. Organic agriculture also reduces soil vulnerability to erosion and increases its carbon stocks. This constitutes a major opportunity for carbon sequestration and will protect one of Ukraine's most valuable assets – its highly fertile black "chernozem" soils. Organic production further enhances biodiversity and contributes to the restoration and integrity of various ecosystem services. Finally, it provides Ukraine with an opportunity to diversify and increase its export earnings, while contributing to local farmers' incomes through price premiums and reduced production costs. A continued effort to develop the organic sector should therefore remain a major component of Ukraine's transformation to a green economy.

Nevertheless, obstacles to the promotion of organic farming in Ukraine remain ubiquitous. These are primarily related to the overall structure of the sector and

lack of cooperation among key actors, poor awareness of the benefits of organic agriculture among different stakeholders and levels, as well as complexities associated with organic regulation and certification. Support for organic agriculture is growing in various public policies, but their implementation is lagging. In addition, the country's regulations and enforcement mechanisms related to genetically modified organisms (GMOs) are not sufficiently stringent, thereby jeopardizing the integrity of Ukraine's organic products and the country's overall reputation as a reliable supplier of organic produce.

In order to develop organic agriculture to its full potential, it is vital for Ukraine to create a comprehensive action plan that promotes collaboration among the country's key organic stakeholders and ensures a regulatory climate that builds public awareness, as well as the confidence and capacity of organic producers. State and regional investment programmes should also be better oriented at supporting and expanding organic production.

Introduction

Ukraine boasts a vast area of fertile agriculture lands, known best for their highly fertile, humus-rich black *chernozem* soils that make the country suitable for a wide range of agricultural activities. These soils are, however, experiencing substantial degradation and erosion. Preserving organic matter in the soil is key to maintaining and enhancing its fertility, as well as preventing soil erosion. By using various techniques (crop rotation, cover cropping, reduced tillage, application of compost, etc.) that promote the natural breakdown of organic matter, organic agriculture allows soil microorganisms to flourish and continually replenish the soil nutrient content. Organic farming also increases the soil's capacity to sequester carbon dioxide while making farms more resilient to drought and other adverse weather conditions. At the same time, by eliminating the use of synthetic fertilisers and pesticides, organic agriculture enhances biodiversity and contributes to the preservation of ecosystem services and traditional landscapes that can be assets for developing eco-tourism. In this way, organic agriculture is an excellent example of a green and profitable economic sector.

On a broader scale, the Green Economy approach aims to maintain, enhance, and where necessary, rebuild natural capital as a critical economic asset and source of public benefit. This is particularly important for the poor, whose livelihoods and well-being are strongly dependent on natural resources. In 2011, UN Environment conducted scoping studies on green economy and organic agriculture in Armenia, Moldova and Ukraine, which revealed the multitude of potential socio-environmental benefits associated with promoting organic farming in these countries. The summary report "Organic Agriculture – A step towards the Green Economy in the Eastern Europe, Caucasus and Central Asia region" (UNEP 2011) concluded that organic agriculture could play a catalytic role in not only re-vitalising these countries' food and farm sector, but also encouraging their broader transition to a Green Economy.

Organic farming offers direct economic benefits to farmers by reducing production costs and enabling them to access markets with higher price premiums. It also opens up new business and agro-tourism opportunities. Moreover, while conventional farming is a significant contributor to biodiversity loss, greenhouse gas emissions, nitrogen cycle disruptions and water pollution, organic agriculture contributes to human health, helps conserve and restore biodiversity and ecosystem functionality, revitalises landscapes and the countryside, and helps to mitigate and build resilience to climate change.

The EU-funded “Greening Economies in the Eastern Neighbourhood” (EaP-GREEN) partnership programme was designed to harness these opportunities and provide support to “Eastern partnership” countries (in particular Armenia, Moldova and Ukraine) to strengthen their organic agri-food supply chains and trade flows. More specifically, the programme aims to support the expansion of these countries’ organic sectors by building the capacity of the private sector, including farms and companies, to access growing European and international markets for organic products. This report, and similar reports from Armenia and Moldova, are part of the EaP-GREEN initiatives to provide an up-to-date overview of national trends in organic production and trade, the associated policy climate, as well as opportunities and barriers for the further expansion of this sector.

An overview of Ukraine’s agricultural sector

Ukraine is a lower middle-income country, with a Gross Domestic Product (GDP) per capita of US\$ 3,900.5 in 2013 (World Bank 2015). The total population of the country is 46 million, 32 per cent of whom live in rural areas. In 2013, the net output of the Ukraine’s agricultural sector made up 10.3 per cent of the country’s GDP and employed 17.5 per cent of its total labour force, aged 15-70 (World Bank 2015; Ukrstat 2014a; Ukrstat 2013a). Ukraine is a net exporter of agricultural and food products and one of the world’s largest exporters of sunflower oil, grain and sugar (World Bank 2014).

Approximately 70 per cent of the over 60 million hectares of the country’s total area is farmland, most of which is used for annual crops (see Table 1).

Table 1. Agricultural land use distribution in Ukraine, as of early 2013.

Land use category	Area (in 1,000 ha)
Total agricultural land	41,525.8
Arable land	32,525.5
Cultivated area	27,573.1
Drained farmland	2,950
Irrigated farmland	2,160
Area of ley fields (i.e. left to fallow)	981
Grains and pulses	15,681.6
Technical crops	7,722.9
Potatoes and gourds	1,920.9
Feed crops	2,247.7
Hayfields	2,408.8
Pastures	5,446.8

Source: Ukrstat 2014b; 2014c; 2014d; Ukrainian Agribusiness Club 2014.

As a result of land reforms, many of Ukraine's rural residents are owners of farmland plots. However, a large proportion of these plots are leased out to companies because their owners are either not prepared to farm on their own, or because they are unable to unite into more powerful, collective business structures (OSW 2014). In 2013, Ukraine had 47,442 agricultural enterprises, the total output of which (including both crop and livestock production) amounted to 136590.9 million Ukrainian Hryvna (UAH), the national currency (US\$ 5.46 billion)¹ (Ukrstat 2014c).

Table 2. Farmland area ownership in Ukraine in 2013, (in 1,000 ha)

Land owner	Land area (thousand ha)
Agricultural enterprises	21,800.1
Private family farms	4,173
Individual households (rural residents)	15,815

Source: Ukrstat 2014c; Ukrainian Agribusiness Club 2014.

On the whole, the number of farms in Ukraine is declining, while acreage and product volumes are growing. Larger farms that produce mainly grains, pulses and oilseeds are typically more profitable because they can operate at lower costs, produce higher yields, and achieve economies of scale when it comes to shipment and marketing of their products (Zorin 2005). On the other hand, smaller farms of no more than several hundred hectares, are also successfully producing and processing high-value products such as vegetables and herbs, predominantly in western Ukraine. Such farmers also tend to set up and participate in various cooperative schemes.

The volume of agricultural inputs, particularly pesticides that include herbicides, fungicides and insecticides, used in Ukrainian farms has seen changes over the last twenty years. While the amount (in tonnes) of insecticides and herbicides stood at 14,245 and 35,926, respectively, in 1992, these inputs had seen increases by 2013, with insecticides at 14,703 tonnes and herbicides at 52,493 tonnes (FAOSTAT 2016). On the other hand, the use of fungicides saw a drop from 16,601 tonnes in 1992 to 12,503 tonnes in 2013 (FAOSTAT 2016).

Ukraine's vast agricultural expanse is also known for its low levels of fertilizer use. FAO estimates that Ukraine applied around 45kg of fertilizers per hectare in 2012, which is below the world average of nearly 120 kg world average of mineral fertiliser applied per hectare in 2013 (World Bank 2013). Ukraine's fertilizer use is also below regional averages, as Europe and Central Asia averaged 75 kg of fertilizers applied per hectare in 2012 (World Bank 2012).

¹ As of June 2016, at the exchange rate of UAH 1 = US\$ 0.04.

Pesticides were applied over an area of above 12.5 million hectares in 2014 (Ukrstat 2014c). Large agricultural producers of grain and oil seeds, located predominantly in eastern and southern regions of Ukraine, are responsible for most of the country's mineral fertiliser consumption.



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Key environmental challenges affecting agricultural production

One of Ukraine's most prominent environmental challenges is radioactive contamination caused by the 1986 meltdown of the Chernobyl nuclear power plant, some 80 miles north of the capital Kyiv. The incident led to the contamination of approximately 3.5 million hectares of the country's agricultural land, exposing roughly a million people's food resources to unsafe levels of radiation (Encyclopaedia of the Nations 2015). Pollution from other sources also poses a threat to human and environmental health. Ukraine's major industrial centres remain associated with irrational resource usage, outdated and energy-intensive processes, air pollution and contamination of soil and water supplies.

Nevertheless, according to the Convention on Biological Diversity (CBD), there are “positive changes illustrated by a decrease in the number of polluted lands (particularly those that are radioactively contaminated) used in agriculture, as well as in open land without vegetation cover or with little vegetation”. Between 2000 and 2012, the area of hayfields and pastures in Ukraine had increased by 97.2 thousand hectares (CBD n.a.). Natural and semi-natural vegetation covers about 29 per cent of Ukraine, and although the country makes up less than 6 per cent of Europe, it harbours as much as 35 per cent of its biodiversity. However, only 1.6 per cent of Ukraine’s total land area is protected, including 22 wetlands of international importance listed under the Ramsar Convention on Wetlands (CBD n.a.).

Soil degradation is another growing concern for the country as more than half of Ukraine’s agricultural land is subject to erosion (Furdychko et al. 2009). Soil fertility deterioration arises predominantly from poor farm and soil management practices (including the use of chemical fertilisers), resulting in an annual loss of up to one tonne of humus per hectare of arable land.

Agricultural policy

On 19 September 2007, the Cabinet of Ministers of Ukraine approved the *State Programme of Rural Development until 2015* (GoU 2007). The programme stated the need to:

- Promote and expand the use of soil-protecting technologies for cultivation;
- Take action to prevent soil pollution by heavy metals, industrial waste, pesticides and other agricultural chemicals;
- Organize state control for soil fertility protection and reconstruction;
- Create a system of monitoring of the fulfilment of the technological and ecological requirements and standards for production; and
- Establish an effective system of education, consultancy and advisory services for environmental protection.

The programme also aimed to achieve a 10 per cent share of organic production in Ukraine’s total agricultural output.

In 2013, the Ukrainian government allocated UAH 6.8 billion (US\$ 267.2 million) to support the country’s agricultural sector (MoF 2013). Major government support programmes offer financial backing for production and subsidized interest rates for credits. Other programmes are focused on development of areas such as veterinary medicine, the fishing industry, small farms, as well as agricultural research and education. Before the 2008 financial crisis, the state

also provided a budget supporting subsidies for insurance, fertilisers, seeds, equipment, and soil improvement (GoU 2009).

In 2015, the Ministry of Agrarian Policy and Food of Ukraine created the new *Single and Comprehensive Strategy for Agriculture and Rural Development for 2015 – 2020* ("The Strategy"). The Strategy aims to increase the competitiveness of the Ukrainian agriculture sector and promote sustainable rural development in accordance with EU and international standards. It has a strong focus on encouraging multi-stakeholder dialogue and contains provisions for the attainment of ten main strategic priorities that address the present needs of the agricultural industry in Ukraine. These include, among others:

- Improving the business climate and fight against corruption, as well as establishing a stable legal framework in line with EU and international standards;
- Undertaking land reform to promote effective use of land, enforcing proprietary rights, reducing degradation of soil and fragmenting land holdings;
- Promoting institutional reform of the Ministry of Agrarian Policy and Food and related state agencies and state-owned enterprises to enhance effectiveness of these bodies;
- Promoting an agricultural system that enhances food security for the most vulnerable;
- Aligning the Ukraine's regulatory framework on food safety, sanitary and phytosanitary standards with relevant international criteria to enhance access to international markets, a goal that includes developing organic agriculture targeting the EU, strengthening the sector's competitiveness and enhance the image of the Ukraine as a provider of organic agricultural goods; and
- Revitalizing rural areas, including diversification of quality of life and economic activities in rural areas.

The Strategy includes a detailed implementation plan and will serve as a unique reference point for future reforms and government support for agriculture in Ukraine. Most importantly, as a result of its strong focus on alignment with international agri-food standards, the new Strategy will be instrumental for the development of Ukraine's agricultural export and trade capacities. In addition to that, the Strategy has a strong emphasis on developing organic agriculture to give farmers access to high-value added foodstuff and better quality of life in rural areas.



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Agri-food markets and trade

Ukraine's main export commodities are iron, steel, machinery and cereals. Cereals accounted for around eleven per cent of the country's total export revenue in 2014 (OEC 2014). Processed food and beverage products constituted 5.4 per cent of merchandise imports and 10.7 per cent of the total merchandise exports in 2009 (FAO 2012).

Ukraine's other major agri-food export products include oil seeds and vegetable oils, cereals, milk and chocolate-based confectionery (see Table 3). Sunflower oil, cake and seed together made up 30 per cent of the export value, while maize and wheat comprise 25 per cent (FAOSTAT 2014). In 2011, the top destinations for food and beverage products from Ukraine were Russia (25 per cent), India (13 per cent), Turkey (7 per cent), Kazakhstan (4.5 per cent) and Belarus (4.5 per cent) (FAO 2012). Trade between Ukraine and the EU has grown steadily, except in 2009 when trade fell by 45 per cent (FAO 2012). Considering the volatile political and economic situation in Ukraine, trade volumes and destinations may change considerably in the future.

Table 3: Ukrainian agriculture exports 2009-2011 (US\$1,000)

	2011	2012	2013	Average
Oil, sunflower	3,146,065	3,974,357	3,281,272	3,467,231
Maize	1,982,725	3,892,991	3,833,302	3,236,339
Wheat	1,070,292	2,356,636	1,891,519	1,772,816
Rapeseed	630,543	790,910	1,197,152	872,868
Cake, sunflower	525,742	746,157	755,542	675,814
Soybeans	468,732	701,904	742,295	637,644
Barley	537,599	693,726	575,715	602,347
Chocolate products	635,168	633,153	526,610	598,310
Cheese, whole cow milk	444,996	357,444	361,079	387,840
Pastry	270,787	243,773	256,978	257,179
Cigarettes	177,036	223,673	251,384	217,364
Food prep nes	147,720	184,849	242,773	191,781
Sugar confectionery	190,090	172,913	157,972	173,658
Sunflower seed	247,363	165,725	48,988	154,025
Meat, chicken	78,671	145,065	231,702	151,813
Beverages, distilled alcoholic	126,950	157,365	153,944	146,086
Walnuts, shelled	111,706	109,701	67,397	96,268
Beer of barley	93,413	100,133	84,700	92,749
Meat, cattle	60,446	75,709	78,032	71,396
Beverages, non alcoholic	61,395	66,330	84,602	70,776
Total	12,585,292	17,625,290	16,725,716	15,645,433

Source: FAOSTAT 2017

As part of its broader Association Agreement with the European Union (EU), on 27 June 2014 Ukraine signed the Deep and Comprehensive Free Trade Area (DCFTA) with the EU. The DCFTA is aimed at diversifying Ukraine's exports to the EU to make the country's economy more competitive in spite of the security, political and economic challenges that it has faced since early 2014. More specifically, it is aimed at "boosting bilateral trade in goods and services between the EU and Ukraine by progressively cutting tariffs and by aligning Ukraine's rules with the EU's in selected industrial sectors and for agricultural products" (EC 2015).

Under this agreement (Regulation No. 374/2014, in effect since 23 April 2014) Ukraine and the EU will eliminate, respectively, 99.1 per cent and 98.1 per cent of customs duties in trade value. Notable concessions have been made for agricultural products: duty-free tariff rate quotas have been granted to Ukraine for cereals, pork, beef, and poultry, among others, while other products will see the progressive elimination of EU custom duties over a period of 10 years. According to the EU, Ukrainian agriculture will significantly benefit from these duty cuts, which will annually reduce the export costs for primary and

processed agricultural products by EUR 330 million and EUR 53 million respectively.

Organic agriculture in Ukraine

In 1898, Ivan Ovsinsky, a reputed Ukrainian scientist, farm manager and author of *"The New System of Agriculture"*, was one of the first to state that the use of mineral fertiliser is a danger to soil biology and fertility. Based on Ovsinsky's principles, and employing more modern agricultural techniques, Semen Antonets, with the scientific support of Dr Mykola Shykula, established the first Ukrainian organic ("agro-ecological") farm in 1977.

Organic traders initiated the certification of Ukrainian organic farms in accordance with EU organic regulations during the late 1990s. With support from international partners and projects, stakeholders from across the Ukrainian organic agricultural sector developed a legal, organizational framework for that sector. The domestic market for certified organic products has grown continuously, having increased from EUR 600 thousand in 2008, to EUR 12.2 million in 2013 (Kutarenko 2014). While this points to an increasing consumer awareness and application of organic practices in the country, the term "organic", as well as the concept of organic food still require further mainstreaming among the Ukrainian population.

It is important to mention that, to date, no designated public authority formally collects statistics on organic agriculture in Ukraine, although demand for this data has been expressed by policy makers, traders and media. The NGO Organic Federation of Ukraine (OFU) is playing a key role in collecting and distributing data on the country's organic sector. The year 2013 saw the publication of the first "Organic Business Directory of Ukraine," which compiled comprehensive data from various primary information sources, including 16 agricultural certification bodies operating in Ukraine. The directory, produced by the project, Organic Market Development in Ukraine, which is implemented by the Research Institute of Organic Agriculture (FiBL), a European non-profit organization, also provides a catalogue of organic producers, processors, traders, certification bodies, input producers, organic stakeholders, as well as international projects that are supporting development of organic agriculture in the country.

Organic production

Ukraine's organic certification body, Organic Standard, has recorded an average annual growth of 20 to 25 per cent in the number of certified organic

operators in the country over the past five years. In 2013, there were 208 organic operators in Ukraine (including 175 organic farms) – a six-fold increase from 31 certified farms in 2002 (OFU 2015; Organic Business Directory of Ukraine 2014). The area under organic production (including those in conversion) has also increased from 164,440 ha in 2002 to 400,764 hectares in 2014. Currently, organic wild harvested crops, including herbs, berries and nuts are collected on a total land area of over 330,000 ha in Ukraine (FiBL & IFOAM 2014).

The average organic farm size in Ukraine is about 1,000 ha, but farm sizes vary from 0.3 ha (domestic market-oriented organic vegetable greenhouses) to more than 10,000 ha (export market-oriented arable crops). Ukraine's organic production consists largely of exported arable crops and products collected in the wild, as well as primary foods (flour, bread, dairy, oil, vegetables, etc.) sold on the domestic market. More specifically, these include:

- Cereals and grains, such as wheat, spelt, rye, barley, oats, millet, buckwheat and corn;
- Legume, such as beans, vetch, peas and soybeans, and vegetables, including cabbage, cauliflower and carrots;
- Oil-related crops, such as sunflowers, rapeseeds, mustard and flax;
- Fruits, such as grapes, apricots, pears, plums, cherries and apples, as well as walnuts and berries, such as gooseberries, cluster berries, elderberries, blueberries, raspberries, blackberries, strawberries, bilberries, cranberries and currants, from cultivation and wild collection; and
- Herbs and medicinal plants, such as Echinacea, chamomile and calendula, and mushrooms, including porcini and chanterelles, from cultivation and wild collection.

In addition, Ukraine produces various organic livestock products, including eggs, milk, kefir, sour cream, cottage cheese, meat, pork, sausages and honey. Other processed organic products include essential oils, flour, vegetable oil, flakes, bread, jam, syrup, herbal teas, juices, apple aroma and apple juice concentrate (Organic Business Directory of Ukraine 2014).

Yields of the above-mentioned organic products are nonetheless strongly dependent on factors such as geographical location, the specific crop variety used, soil fertility, the time passed since conversion from conventional to organic production, as well as the expertise, technical capacity and everyday practices of the farmer or landowner. In general, a 20 to 30 per cent yield decline is experienced during a few years following the conversion to organic agriculture. However, many organic farms eventually exhibit similar yields to neighbouring, conventional farms – with a number of them even reaching

comparatively higher outputs. Nonetheless, experts estimate that organic farming requires 10 to 20 per cent more labour force than conventional farming for activities such as weeding and composting (OFU 2015).



Photo: Flickr/Creative Commons/Yevgeniy Shpika

Organic agricultural inputs

In 2014, there were 15 registered organic input producers in Ukraine, producing fertiliser, soil conditioners, inoculants, soil mixtures, insecticides, fungicides, etc. The Ukrainian organic certification body Organic Standard, in collaboration with the Switzerland-based Institute for Marketecology (IMO) and the Research Institute of Organic Agriculture (FiBL), has begun to compile and publish a list of permitted organic inputs in Ukraine on an annual basis (Organic Standard 2017).

Markets and trade

Ukraine's organic producers can be broadly categorised by their trade and marketing arrangements:

- Those working in cooperation with international or Ukrainian traders, which aggregate large amounts of grain, oilseeds, pulses, berries and other products for export. In some cases, this cooperation extends to investment and development of production and/or processing technologies;

- Traders/distributors who collect organic produce from different regions of Ukraine and sell it domestically under their own trademark through retail chains or distributors; and
- Farms that sell their organic produce directly to an international buyer or to a domestic retailer/distributor.

Organic exports

There is no comprehensive source of statistics on Ukraine's organic exports. According to the Organic Federation of Ukraine, organic exports amounted to an average value of roughly EUR 30 million per year between 2005 and 2009, but have fluctuated significantly from year to year. According to Ukraine's Organic Standard body, the export of organic produce has been growing in recent years, particularly in arable crops such as grain, oil crops and pulses, as well as berries, nuts, and mushrooms collected in the wild. Other notable export products include vegetable oils, juices, jams and syrups (Organic Business Directory of Ukraine 2014).

The main export destinations for Ukrainian organic produce are the Netherlands, Germany, Austria, Italy, France, Poland, Denmark and the United Kingdom (EU countries), as well as USA and Switzerland (FiBL-SECO 2012). Export volumes depend largely on international market demand, the availability of products of appropriate quality, as well as trade tariffs and Ukrainian export limitations. For example, in 2010 the Ukrainian government imposed quotas on grain exports, which affected organic exports as well. Since then, no such trade measures have been implemented, and the recent EU Association Agreement is intended to limit any further EU export restrictions.

Price differences between exported Ukrainian organic and conventional products also depend on product type, quality, lot size, international commerce terms (Incoterms), such as terms of delivery and payment, and product labels/certifications (organic or otherwise). On the whole, however, the average premium for organic produce is 10 to 20 per cent above the price levels of conventionally produced agri-food products, but sometimes prices are four times the conventional price (UNEP 2011).

Assessing Ukraine's future export potential, the *Market assessment of the European market for the main organic export products from Armenia, Moldova, Ukraine* (UNEP forthcoming) concludes that organically-produced protein crops for feed mixes, cereals, such as wheat, corn, barley, rye, triticale, spelt and oat, and oilseeds, for example sunflower kernels, have the highest export potential for Ukraine. The production and export of organic fruits, berries, nuts, herbs and honey also has multiple potential positive socio-economic benefits

for Ukraine: including a revitalised countryside; restored ecosystem functionality; new business and agro-tourism opportunities; the creation of new and higher income jobs (particularly in rural communities); as well as enhanced mitigation and resilience to climate change.

Currently, as a result of shelf life concerns and consumer preferences for familiar brands, there is a prevailing tendency for processing goods in the country of consumption. Ukrainian organic producers could therefore add value to their products and access even higher price premiums if their products were to be processed domestically.

In an effort to further increase the visibility of Ukrainian organic products in the international marketplace, February 2014 saw the first Ukrainian country pavilion and the participation of nine Ukrainian exhibitors at the BIOFACH International Trade Fair of Organic Products in Nuremberg, Germany. This event took place again in February 2015, where, with the support of UN Environment and FiBL, Ukrainian producers were able to exhibit their products and liaison with potential buyers from the EU².

Domestic market for organic produce

While organic products like baby food, tea, coffee, sugar, spices, fruits, vegetables, pasta, chocolates, oils, wines, beer and cosmetics are largely imported into the country from EU countries, the demand for domestically-produced organic products is nonetheless considerable. Ukraine's domestic organic market expanded twenty-five fold between 2007 and 2013 (see Table 4). At present, approximately 260 different internally-produced organic food products are sold in retail in Ukraine. These include vegetables, potatoes, tomatoes, melons, watermelons, grapes, pumpkins, fruits, dairy products, meat products, honey, eggs and processed products such as flour, vegetable oil, flakes, bread, jam, syrup, herbal teas and juices.

Table 5: Development of the domestic organic market 2007-2013

Year	2007	2008	2009	2010	2011	2012	2013
Value of organic market (million EUR)	0.5	0.6	1.2	2.4	5.1	7.9	12.2

Source: Organic Federation of Ukraine 2013

The first Ukrainian organic products, such as organic buckwheat from "Zhmenka", organic flakes from "Hercules" and organic vegetables from "Melnyk farm", started to appear on retailers' shelves in 2008. The country's

² The country pavilion was organized alongside various Ukrainian organic stakeholders, under the framework of Swiss-Ukrainian Project on "Organic Market Development in Ukraine" – with the financial support of the Swiss State Secretariat for Economic Affairs (SECO). (UNEP n.d.)

first specialty shop for organic and natural products, "Natur Boutique", also opened its doors in September 2008. As of April 2014, there are seven "Natur Boutique" outlets in the Kyiv region. This pioneer venture sparked the establishment of other organic retailers, such as "Organic Era", "Eco-Chic", and "Terra Organica". Several on-line shopping platforms for organic produce were also initiated, but were forced to close as a result of high operation costs, low product supplies and logistical difficulties. As of December 2013, there were more than 2,000 registered sale points of organic products in Ukraine. Some high-end restaurants, caterers and hotels have also introduced organic food into their menus. On the whole, there is little competition among organic producers in Ukraine, and the price difference between organic and non-organic products is higher than in the EU market.

According to a consumer survey conducted in 2013 by the Retail Academy and Organic Ukraine, 17 per cent of consumers did not know about organic products; 27 per cent confirmed that "organic-, bio-, and/or eco-" labels motivated their purchasing preferences; and 53 per cent could actively differentiate between organic and pseudo-organic products by recognising quality and/or certification labels. 53 per cent of the surveyed consumers were also willing to pay more than 20 per cent extra for organic products. It is however important to mention that since the range of certified organic products sold in Ukraine is still limited, retailers try to fill the supply gap by advertising other, not strictly organic, products as "natural", "ecologically clean", "GMO-free" and/or "farmer products", thereby leading to consumer confusion.

All in all, as suggested by the abovementioned survey, the health benefits associated with the consumption of organic products are considered to be a key motivation for Ukrainian consumers. Direct marketing and organic fairs does not appear to play a big role for sales, but they are important tools for increasing consumer awareness, enabling direct contact between consumers and producers, and facilitating cooperation between producers and retailers.

Knowledge transfer and awareness-raising

In October 2009, with the support of local authorities, FiBL and the Ministry of Agrarian Policy, OFU organised the first Ukrainian organic open-air fair in the city of Lviv. Since then, organic open-air fairs have grown in size and number, starting from 12 exhibitors in 2009, they were hosting 35 exhibitors in 2013, and the fairs became a regular event in both Kyiv and Lviv. In September 2013, Ukraine organised its first national "Organic Week". In total, more than 50 events (including fairs, trainings, seminars, conferences, press-conferences)

were organised in 2013 and more than 10 books have been published on various aspects of organic agriculture (FiBL-SECO 2014). In the run up to the adoption national organic legislation in 2013, several high-profile conferences and meetings were organised, enabling sector representatives to form a consolidated opinion of the country's organic law and by-laws³.

The monthly *ORGANIC UA* magazine has been published by OFU since 2009. Other local journals on this topic include *Organic Magazine*, the *Biolan Bulletin* and the *Green Pharmacy Magazine*.



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Organic Stakeholders in Ukraine

The Ukrainian organic movement is composed of multi-stakeholder associations such as the Organic Federation of Ukraine, Organic Ukraine, and Biolan Ukraine; the Organic Standard product certification body; and the Green Dossier, an education/information centre. A full list of stakeholders and other regional actors can be found in the Annex of this publication. To date, there is no all-encompassing permanent national platform for stakeholders throughout the organic value chain, meaning that organic actors in Ukraine continue to meet on an ad-hoc basis.

Education and training

Some of Ukraine's most prominent agrarian universities, such as the National University of Life and Environmental Sciences of Ukraine, the Zhytomyr

³ The Law of Ukraine on "Production and distribution of organic agricultural products and raw materials" [Закон України "Про виробництво та обіг органічної сільськогосподарської продукції та сировини"].

National Agroecological University, as well as other agrarian colleges (e.g. Illintsi, Talyankivskyy and Zolochivskyy) are currently including organic modules in their curricula. The Illintsi Agrarian State College has published a textbook on the subject.

Ukrainian organic research is nonetheless in a nascent stage and there are only few academics conducting research into the topic. This research is also often poorly aligned with organic producers' needs, outlining the need for greater coordination among organic researchers and stakeholders throughout the country. Foreign experts do provide advice to some organic farms and stakeholders in Ukraine, but knowledge transfer remains unsystematic and is not always adapted to local conditions. Subsequently, there is an urgent need to train and empower local organic consultants and other professional services.

Donors and projects

Over the years, international partners have played a vital role in providing the Ukrainian organic farming sector with skills and expertise. Specific projects include:

- The EU-financed EaP GREEN partnership programme, under which UN Environment is leading an initiative to promote organic agriculture in the framework of a green economy. UN Environment aims to support Ukraine in establishing and expanding its organic agricultural sector by providing information on market opportunities and trade barriers for organic produce, conducting capacity and needs assessments, as well as engaging various stakeholders, including governments, farmer associations, certification bodies, civil society, academia and think tanks, at regional and national levels.
- The 2012-2016 Organic Market Development in Ukraine project, implemented by the Research Institute of Organic Agriculture, with financial support from the Swiss Confederation, supports small and medium-size enterprises in expanding their exports of arable crops and boosting production of dairy products for the domestic market. The project also supports the overall business environment and professional services offered by the organic sector (FiBL n.d.).
- The United States Agency for International Development's (USAID) Agroinvest Project, which supports the development market-oriented agricultural policies in Ukraine.
- The Swiss Import Promotion Programme, which supports Ukrainian organic producers' participation at the BIOFACH international agricultural trade fair.

- The Swedish International Development Agency (SIDA): Coalition Clean Baltic which unites 21 organizations from Belarus, Finland, Russia, Estonia, Latvia, Lithuania, Poland, Germany, Denmark, Ukraine and Sweden under various subject areas, including biodiversity conservation and the reduction of agricultural nutrient run-off that is leading to eutrophication in the Baltic sea catchment area (CCB n.d.).

Investment

The principal investors in the Ukrainian organic sector are local, private businesses. In 2008, most investments were directed towards crop production for grains, oilseeds and pulses - including seeds, machinery, transport, fuel and inputs. The remainder was invested into processing, wild collection, domestic and international trade promotion, inspection and certification services (OFU 2015). Data shows that private investment into organic dairy production amounted to roughly US\$ 19 million in 2012. Due to the difficult political and economic situation in Ukraine, investment flows have been limited since 2014.

National policies on organic agriculture

In October 2010, the Ministry of Agrarian Policy of Ukraine announced its support for organic agriculture, noting it as a major area attracting international technical assistance into the Ukrainian agri-industrial sector (Ivashchuk n.d.). The awareness of Ukrainian policymakers and their participation in key organic events; the engagement of organic stakeholders in the elaboration of relevant by-laws; and the overall vision of organic production as an approach for sustainable regional development – have all become notable strengths of Ukraine's organic sphere (GoU 2015). However, while several government policies have been developed with the aim of promoting organic agriculture in the country, their implementation has proven difficult and crucial elements of a comprehensive policy on organic agriculture, for example a list of permitted active substances to be used in organic production, remain to be approved. To date, policies that are concerned with organic agriculture in Ukraine include:

- Ukraine's *Strategy of Development of the Agrarian Sector by 2020* (Decree № 806-p) dated 17 October 2013, in which organic agriculture was declared as one of the priority means of achieving the strategic objectives of the country's agrarian sector, including the sustainable use of natural resources; preservation, restoration and enhancement of soil fertility; limiting the spread of ecologically destructive crops; and stimulation of overall rational use and protection of agricultural lands (GoU 2013).
- The *State Programme of Ukrainian Rural Development for the period until 2015* aimed to increase the share of organic production up to 10 per cent of

the total volume of the Ukrainian gross agricultural production. The programme did not define any concrete measures, budget or institutional arrangements, and its ambitious target has yet to be met.

- The Law of Ukraine № 425-VII on *Organic Production and Trade of Organic Agricultural Products and Raw Materials* came into force on 9 January 2014 (GoU 2014). The law defined the conditions for products to be marketed and labelled as organic. It also defined the responsible authorities and the controls that should be implemented to ensure the authenticity of organic produce. The purpose of the law is to promote fair competition as well as to enhance consumers' confidence in products labelled as organic. Nevertheless, this law remains to be implemented with some twenty by-laws that are still in the elaboration or approval processes. Furthermore, this legislation remains to be fully harmonised with the relevant European Council Regulation (EC) 834/2007.
- The *Single and Comprehensive Strategy for Agriculture and Rural Development for 2015 – 2020*, developed under the initiative of the Ministry of Agrarian Policy and Food of Ukraine, that has a working group with the specific objective to: "Adapt the regulatory framework on organic production, promoting equivalence with the major markets, and promote organic farming, in order to meet the increasing world global demand for organic products and contribute to solving environmental problems." The working group outlines that the country's focus on large-scale business has neglected the field of organic production, which has been implemented predominantly by small and medium enterprises, despite its significant potential for the country's ecological security, employment and poverty alleviation. It also underlines that Ukraine's domestic market for organic produce is highly underdeveloped. The working group calls for more systematic involvement of Ukrainian policymakers and organic stakeholders; a stronger organic legislative base and the adoption of a revised Law on *Organic Production and Trade*; the setting up of implementation and monitoring mechanisms, for example via supervision bodies and mislabelling penalties; the harmonisation of Ukrainian legislation with relevant EU regulations; better consideration of agricultural SMEs, and the risks they face, in state agricultural strategies; improvement of the business and investment climate in the organic sector; as well as reforms on land ownership agreements, which currently present a high risk due to the 2-3 year organic conversion period.

Despite a favourable policy framework as explained above, the lack of systematic state support for organic production and distribution; the absence of a formalised national programme or action plan for organic production and trade; the fear of over-regulation and misalignments with the requirements of

key international importers of Ukrainian organic produce; the unregulated import, production and use of GMOs; as well as product mislabelling and the subsequent lack of consumer understanding and trust for eco- or organic product labels are some of the major challenges for the future development of the organic sector in Ukraine.

In the absence of a national strategy for organic agriculture, Ukraine's organic stakeholders have initiated a national organic platform for organic policy dialogue. This platform has been instrumental in developing the *Draft Concept of State Programme for Development of Organic Production in Ukraine in 2008* (OFU 2008), and the *2013 Strategy Concept for Development of Organic Agriculture in Ukraine*.

Local and regional initiatives

Some regions and districts, including Lviv, Khmel'nitsky, Ivano-Frankivsk and Poltava have developed independent programmes to support organic agricultural production. For example, the Lviv state administration developed the Programme of Organic Development in the Lviv Region to support local organic producers and held its first Organic Weekend Market in August 2009. The Beregovo, Vinogradovo, Uzhgorod and other districts of the Zakarpattya region, as well as some areas of Odesa and Zhytomyr, also actively support farmers' initiatives to promote organic production, processing and trade.



Photo: Flickr/Creative Commons/ Alexey Novitsky

Certification and standards

There are 16 international agri-food certification bodies operating in Ukraine (see Table 5). The cost of organic certification varies between EUR 330 and more than EUR 10,000 per farm and is determined by factors such as farm size, product diversity, on-farm practices, and the quantity of standards that have to be met. Organic certification is carried out under internationally recognised as well as private standards. Since the EU is the most important market for Ukrainian organic products, most Ukrainian organic production is inspected and certified in accordance with the Council Regulation (EC) 834/2007.

In 2007, the association Biolan Ukraine was among the first to establish domestic organic farming and labelling standards. However, the Biolan standard had stricter requirements than the EU standard. As a result of this stringency, it was difficult to obtain the appropriate ingredients for processed products and Ukrainian producers preferred to work according to the EU standard. Subsequently, no operators in Ukraine have received Biolan certification since 2010.

The EU organic logo continues to be used extensively in the Ukrainian organic market, even though it has no legal status or protection. According to Ukrainian law on *Organic Production and Marketing of Organic Agricultural Products and Raw Materials*, a Ukrainian organic logo is being developed and it will be mandatory for all organic products sold in the country.

Organic Standard (OS) Ltd., founded in 2007, is the only operational Ukrainian inspection and certification body. It acquired International Organic Accreditation Services (IOAS) accreditation for organic inspections and certification in 2009 and was approved by the EU in 2011. At present, Organic Standard offers organic inspection and certification for crop production, animal husbandry, beekeeping, wild collection, aquaculture, processing and trading. Other foreign certification bodies are also crucial in enabling Ukrainian traders and producers to access international organic markets. For example, many Ukrainian organic products, such as oils and herbs, are raw materials for cosmetics, and adhere to the COSMOS standard for organic and natural cosmetics that safeguard socio-environmental health.⁴

It is important to underline that agri-food products imported into the EU must also meet stringent sanitary and phytosanitary (SPS) requirements aimed at protecting human and animal health. These include general requirements for

⁴ Established as a joint standard to combine different certifications present on the largely unregulated organic cosmetics markets.

all stages of food/feed production and distribution – including traceability throughout the supply/production chain, hygiene specifications, marketing and labelling requirements, as well as rules on microbiological composition and genetically modified food, animal feed, residues, pesticides, veterinary medicines, and contaminants. Plants and animal products exported to the EU must be also be accompanied by a health/sanitary certificate and are subject to inspections at the point of entry into the EU. The exporting country must be authorised by the EU to export the category of products concerned and all the products must come from approved processing facilities in the exporting country.

In addition to regulatory requirements, private standards and other trade preferences may amount to *de facto* compulsory standards in the form of clients' codes of conduct, product specifications, sourcing guidelines and/or various quality management systems. These include COSMOS (see above), Globalgap (a system for "Good Agriculture" practices); the standards of the British Retail Consortium; International Organization for Standardization (ISO) 9000 (general quality management); ISO 22000 (quality management in the food sector); SA 8000 (a social standard developed by Social Accountability International); and the BSCI (Business Social Compliance Initiative). It must be noted that with the Ukraine-EU Association Agreement and the DCFTA, the need for Ukraine's organic producers to comply with an array of separate standards is envisioned to gradually disappear.

Table 6. List of accredited certification bodies operating in Ukraine (updated July 2013)⁵

Name of certification body	Country	Scope of certified products					
		Unprocessed plant products	Live animals or unprocessed animal products	Aquaculture products and seaweeds	Processed agricultural products for use as food	Processed agricultural products for use as feed	Vegetative propagating material and seeds for cultivation
Organic Standard Ltd.	Ukraine	×	×	-	×	-	-
IMO ⁶	Switzerland	×	×	-	×	-	×
Ecocert SA	France	×	-	-	-	-	-
Austria Bio Garantie GmbH	Austria	×	×	-	-	×	×
SGS Austria Control-Co. GmbH	Austria	×	-	-	×	-	-
Control Union Certifications	Netherlands	×	-	-	×	-	-
ETKO	Turkey	×	-	-	×	-	-
CERES	Germany	×	×	-	×	-	-
Abcert AG	Germany	×	-	-	×	-	-
Lacon GmbH	Germany	×	-	-	-	-	-
QC&I GmbH	Germany	×	-	-	×	-	-
BCS Oko-Garantie GmbH	Germany	×	-	-	×	×	-
Bioagricert srl	Italy	×	-	-	×	-	-
ICEA	Italy	×	-	-	×	-	-
Suolo e Salute srl	Italy	×	-	-	-	-	-

⁵ These certification bodies are included in the official list approved by the European Commission (EU Regulation #1235/2008 from 08.12.2008, updated 01.07.2013). In addition to these, Biokontroll Hungária is also operating in Ukraine.

⁶ The Swiss certification body IMO is responsible for United States National Organic Program and Bio Suisse certification.

Key barriers for the export of Ukrainian organic products

In major export markets, organic products are subject to the same tariffs and quotas as non-organic products. Despite efforts to give organic products preferential treatment, for example during the Doha round of the WTO, the emergence of governmental organic regulations in the 1990s and 2000s means that, nowadays, organic products have to fulfil special requirements in addition to those that apply to non-organic agri-food products.

The organic standards developed in major export markets are not always easy to comply with for farmers. For instance, in the EU an agricultural enterprise is not permitted to market and sell its produce as organic if it produces organic crops alongside the same non-organic crops. Considering the small size of many Ukrainian farms, this may be a considerable challenge to overcome and may dissuade farmers from converting to organic production.⁷ Complying with regulations on organic seed and agricultural input (fertilisers, pesticides etc.) rules of other markets can also be challenging for Ukrainian producers, particularly when there are disparities with domestic regulations.

It is possible that with the Association Agreement between Ukraine and the EU, Ukraine's organic regulations will become recognised by the EU, although this process has to date proven to be exceedingly slow. Alternatively, Ukraine could adopt EU organic regulation. According to the Ukraine-EU Association agreement, "EU Regulations, Directives, Decisions, Recommendations and Communications constitute the legislative references when gradual approximation of legislation in a specific sector or product is considered by the Ukrainian side".⁸

For exports to the EU, the exporting country's organic certification body has to be accredited according to EU organic regulations, in the absence of which the country becomes placed on the "Third Country List", which recognizes some countries that have equivalent organic production rules and systems as the EU. Although the Ukrainian organic certification body, the Organic Standard, has been recognised, the EU's recent equivalence agreements with Canada and the US can make it difficult for Ukrainian organic exporters to further develop their presence and competitiveness in the EU market.

Furthermore, EU buyers might demand certification by a specific certification body because of its reputation or because their own operations are certified under the same scheme. This is probably the reason why many operators in

⁷ Symptomatically, there is no such prohibition in the United States where farms there are of very large size.

⁸ See Ukraine-EU Association Agreement Annex XXXVIII to Chapter 17 on Agriculture and Rural Development.

Ukraine still choose EU-based certification, despite the fact that the Ukraine-based Organic Standard has had EU recognition for several years. Organic traders are also often required to comply with other requirements, such as climate-neutral, kosher or halal-compliant production. Adherence to these additional criteria creates market opportunities, but compliance and certification costs constitute major barriers for producers, especially if the pay-back periods on their investments are not immediately evident.

Conclusions and recommendations

Ukraine has significant potential to develop organic agriculture for both the export and domestic market. The recently-signed free trade agreement with the EU (DCFTA) is expected to reduce custom duties and make Ukrainian produce cheaper and more competitive in the EU market, thereby also opening up new business opportunities throughout Ukraine's organic value chains. The premium prices offered by international markets can also contribute to higher incomes of the country's organic producers, while a vibrant organic sector can be a strategic marketing asset that will increase the appeal of Ukraine's organic produce not only among international, but also among domestic consumers.

Despite this, Ukraine's organic sector faces a number of challenges which require collaborative efforts by all of the country's organic stakeholders, including government, associations, farmers, processors, traders, consumer organizations and academics. These challenges include:

- A lack of public support and implementation capacity. Despite the development of various policies aimed to promote organic production in the country, these have yet to outline concrete measures, budget or institutional arrangements that can ensure that their targets materialise into tangible actions;
- The absence of a comprehensive national strategy for organic agriculture and poor alignment of different policies affecting agricultural production (e.g. on GMOs, eco-labelling and others);
- The costly and often poorly harmonised organic certification schemes, which act as a significant barrier to the economic viability and future growth of organic farms (particularly smallholdings) while also contributing to consumer confusion and the overall under-development of domestic organic markets;
- Farmers' limited access to qualified training. In addition to that, the relatively low level of communication between academia and practitioners

means that the applicability and relevance of organic advisory services need to be significantly strengthened;

- The low awareness of organic products among consumers, which acts as a key inhibitor to the development of Ukraine's domestic organic market. In addition, at the local level, there is frequently a shortage of local processing units for organic produce and a lack of producer cooperation in marketing and logistics. A lack of reliable data on production and marketing also makes it difficult to monitor and ensure the coherent development of the sector; and
- The unstable political and economic situation, which can be expected to be particularly harmful for organic producers due to their dependence on easily-disrupted trade links and sales channels (more so than conventional producers).

In order to develop organic agriculture to its full potential, it is vital for Ukraine's organic stakeholders to unite their forces and efforts. The development of a National Action Plan for the Development of Organic Production, which includes clear responsibilities and robust implementation budgets/guidelines, should be a major priority for Ukraine. It is also recommended that state and regional investment programmes become better oriented at supporting and expanding organic production.



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Annex: Major organic stakeholders in Ukraine

The "**Organic Federation of Ukraine**" [www.organic.com.ua] was founded in 2005 in Kyiv. The Federation has the following objectives:

- Promoting the conservation of the environment;
- Disseminating information and promoting benefits of organic and biodynamic production;
- Promoting the development of regulations in the field of organic production through publications of scientific and technical literature, books, manuals, periodicals, as well as the magazine *ORGANIC UA*; and
- Promoting organic production as well as the development of internal and external markets for such products.

"**Organic Ukraine**" [<http://www.organicukraine.org.ua>] is a union of producers of certified organic products founded in 2013. The activities of Organic Ukraine are directed towards:

- Creating mutual support among organic producers;
- Creating a positive image of certified organic products;
- Disseminating information about certified organic products to consumers;
- Interacting with media; and
- Encouraging and supporting Ukrainian agrarian producers to convert to organic farming practices.

The international public organisation "**Association of Organic Production Stakeholders, Biolan Ukraine**" [www.biolan.org.ua] was established in 2002 in the Vinnytsya region of Ukraine. Its priorities are:

- Creation of a network of producers and establishment of an internal market for organic products;
- Developing legislative and regulatory frameworks for organic production;
- Raising public environmental awareness; and
- Introducing a dedicated programme on organic production in the curricula of specialised educational institutions.

"**Organic Standard**" [www.organicstandard.com.ua] is the first and only Ukrainian accredited certification body that certifies organic production according to EU standards in Ukraine. It was founded in 2007 and established theoretical and practical training within the framework of the Swiss-Ukrainian

project in cooperation with Research Institute for Organic Agriculture, Switzerland and the Institute for Marketecology, Switzerland.

The international charitable organisation "**Information Centre Green Dossier**" [<http://www.dossier.org.ua/>] was founded in 1994. Its mission is to encourage public participation in decision making procedures at all levels through the promotion of green economy principles and sustainable development, integrating them into national policies and government programmes through dissemination of environmental and social information to the media, local communities, government and business. It also supports the development of organic agriculture by promotional campaigns for consumers, video and print production, organisation of events for local communities and businesses; and by conducting research.

"Ukraine East Organic Association" brings together eight organic farms from the Kharkiv and Donetsk regions and plans to attract new members that are interested in the services provided by the Association, including consultancy, cooperation and interaction with other actors in the value chain.

"Ecoterra" [www.ecoterra.lviv.ua] is a Lviv Municipal Public Organisation founded in 2001. The purpose of the organization is to further the relations between society and nature, the coordination of public efforts of the region to protect the environment and increase ecological consciousness.

"Natur Boutique" [www.natur-boutique.com] was the first organic store in Ukraine opened in 2008. Today its chain of stores offers a wide range of certified organic products. The chain promotes the consumption of organic products through organizing workshops, organic tours, and participation at exhibitions and lectures.

"Organic Era Trade House" [www.organicera.com.ua] was founded in Kyiv in 2008. It offers the whole assortment of certified organic food from Ukrainian producers and imported organic products to the Ukrainian market at wholesale and retail prices. Organic products are delivered to the door in any part of Ukraine or bought directly from the warehouse or the specialty store, Organic Era. Organic Era also provides catering services.

"Eco Chic" [www.ecochic.com.ua] is a centre of natural health and a shop offering organic and natural products. Eco Chic has seven years' experience in promoting organic products through its active position in the media as well its range of services as a nutritionist consultancy.

"Retail Academy" [www.antre.kiev.ua] is a small company with an ambitious goal: "To create a credible healthy retail business" by developing the professional skills of the retail store's personnel, as well as providing information about healthy organic food for consumers. The Retail Academy also provides study programmes for Ukrainian retail specialists; marketing consulting; PR and marketing services for producers; and events management for popularization of organic food in Ukraine.

"Pure Flora Association of producers of organic products" [<http://www.carpathian.if.ua>] was founded in Ivano-Frankivsk in August 2008. It includes local producers and promotes regional Carpathian products, as well as rural development.

"Organic Farming and Horticulture Association (Aozis)" [<http://orgproduct.jimdo.com>] was founded in Donetsk in 2001. Aozis promotes healthy life styles and organizes organic producers in the Donets and Kharkiv.

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