

# Organic in Ukraine

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*Factsheet as of 14.02.2018*

The organic market in Ukraine is constantly developing. Thanks to the country's size (603.6 thousand km<sup>2</sup> including 42.7 million hectares of agricultural land, according to the State Statistics Service of Ukraine), geographical location, proximity to potential international buyers, and widespread fertile black soils, Ukraine has favourable conditions for organic agriculture.

## Organic area and operators

In 2017, the Reform Support Team at the Ministry of Agrarian Policy and Food of Ukraine collected Operational monitoring data on organic agriculture among certification bodies that certified organic production and trade of organic products according to the EU organic regulation in Ukraine. The data (as of 31.12.2016) show the following:

- Organic agricultural area - 289 551 hectares,
- Agricultural area in conversion - 91 622 hectares,
- Total area of agricultural land organic and in conversion - 381 173 hectares,
- Organic share of total agricultural land – 0.89%,
- Total number of operators – 426 which includes 294 agricultural producers,
- Total number of certification bodies under this monitoring – 19.

The majority of organic operators in Ukraine are certified according to the EU organic standard, i.e., equivalent to EU Regulations 834/2007 and 889/2008, which are used for both export and domestic markets. In addition, Ukrainian organic operators are often certified according to US National Organic Program (NOP). Other organic standards used in Ukraine are Bio Suisse (Switzerland), Bioland and Naturland (Germany), COR (Canada), Soil Association (UK), and KRAV (Sweden).

## Organic exports

In the last few years, Ukraine has become an important supplier of organic products for Western markets. The main organic export products from Ukraine are cereals, oil crops, pulses, wild collected berries, mushrooms, nuts, and herbs.

According to data from the leading certification body, Organic Standard, in 2017, the top organic products (by volume) exported by their clients from Ukraine were: corn, wheat, soya, barley, spelt, sunflowers, hulled millet, rapeseed, blueberries (frozen), oats, millet, lupine, apples (fresh), buckwheat, mustard, elderberries (fruits), pumpkin seeds, birch sap, flax, flakes, rye, walnuts (kernel), sea-buckthorn (frozen), blackberries (frozen), rosehip (frozen), coriander, pea, elderberries (flowers frozen), wild strawberry (frozen), cranberries (frozen), apple juice concentrate, hawthorn (frozen), sunflower cakes, durum wheat flour, cowberry fruits (frozen), black chokeberry fruits (frozen), chamomile (dried), hemp, raspberries (frozen), and sunflower oil.

More and more Ukrainian operators intend to sell not only raw materials but also organic semi-processed and processed products abroad.

In 2016 organic exports from Ukraine were about 300 thousand tons with a value of more than 65 million US dollars (estimated data from the survey conducted by the Organic Standard certification body with all Ukrainian exporters). The organic exporters from Ukraine benefit from the Association Agreement signed in June 2014 between the EU and Ukraine, which has reduced trade barriers for Ukrainian exporters. Since January 2016, the EU and Ukraine have been applying the Deep and Comprehensive Free Trade Area (DCFTA), which forms part of the Association Agreement. At the

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same time, Ukrainian exporters suffer from the EU guidelines on additional official controls on products from Ukraine, which have been applied since January 2016.

According to the Organic Standard data, the top 11 importers (by volume) of Ukrainian organic products of operators certified by all certification bodies are the Netherlands, Germany, the UK, Italy, Austria, Poland, Switzerland, Belgium, the Czech Republic, Bulgaria, and Hungary. Ukrainian producers also export to the U.S., Canada, Australia and some Asian countries.

Ukraine follows the global trend “local + organic” and already has some success stories of Ukrainian exporters with products having both organic and regional labelling (from the Ukrainian Carpathians).

### **Domestic market**

The domestic market for organic products started to emerge at the end of the 2000s, and in 2008, the first Ukrainian organic labelled products appeared on the shelves of Ukrainian retailers. The main sales channels are supermarkets and specialty shops in big cities. The assortment of organic products available on the shelves is still not full. Consumers can buy the following Ukrainian organic product categories in retail shops: dairy and meat products, grocery and bakery products, flour, macaroni products, vegetable oils, beverages (juice, birch sap, herbal tea), canned products (e.g. berry paste, syrup, jam), some vegetables and fruits, etc. The biggest challenge for the domestic market is a low awareness of organic among consumers.

### **Certification bodies**

Seventeen internationally accredited certification bodies are included in the official list of approved organic certification bodies for Ukraine according to EU Regulation 1235/2008 (as of 14.12.2017). These are: Organic Standard, Bio.inspecta AG, Ecocert SA, CERES Certification of Environmental Standards GmbH, Control Union Certifications, Kiwa BCS Öko-Garantie GmbH, Ecoglobe, Istituto Certificazione Etica e Ambientale (ICEA), Lacon GmbH, Suolo e Salute srl, Agreco R.F. Göderz GmbH, Bioagricert S.r.l., Ekoagros, A CERT European Organization for Certification S.A., Letis S.A, CCPB Srl and Valsts SIA “Sertifikācijas un testēšanas centrs”. The only Ukrainian certification body is Organic Standard; all others are foreign or their local branches. Since 2015 most of the certification bodies active in Ukraine have participated in the Platform Ukraine at the European Organic Certifiers Council (EOCC).

### **Organic stakeholders**

The Ukrainian organic sector is represented by the following organic stakeholders: QueS consultancy body, Organic Standard certification body, Information Center “Green Dossier”, Organic Ukraine Public Union of Producers of Certified Organic Products, Organic Federation of Ukraine, Ecoterra Lviv NGO, VIP Group, Organic Business, Sib-Agro, Institute of Organic Production, BIOLan Ukraine Association of Organic Production Stakeholders, Natur Boutique, Ukrainian Organic Cluster, as well as active organic producers, processors, and traders.

Pioneers in education on organic are Zhytomyr National Agroecological University, Illintsi Agrarian State College, Lypkovativskyy agrarian college, etc. The research on organic in Ukraine is in its initial stage and not systematized yet as well as no on-line access is available.

### **International support**

Ukraine had been receiving international support for the organic market development from

- Switzerland: Swiss State Secretariat for Economic Affairs (SECO), Research Institute of Organic Agriculture (FiBL), Swiss Agency for Development and Cooperation (SDC), and Bern University of Applied Science (BFH) since 2002,
- Germany: Federal Ministry of Food and Agriculture (BMEL), Agriculture & Finance Consultants (AFC) and IAK Agrar Consulting since 2016,
- USA: USAID through the AgroInvest project in 2011-2016 and the Agriculture and Rural Development (ARDS) project since 2016 and the Western NIS Enterprise Fund (WNISEF) since 2017,
- Canada: Global Affairs Canada and Mennonite Economic Development Associates (MEDA) through the Ukrainian Horticulture Business Development Project (UHBDP) since 2014,

- The Food and Agriculture Organization of the United Nations (FAO), EU4Business and the European Bank of Reconstruction and Development (EBRD) since 2016.

### **Policy on organic**

The development of the organic market in Ukraine is one of the priority areas in the reforming strategy plan for the agricultural sector “3+5”, which is based on the Strategy for Agriculture and Rural Development 2015-2020. This strategy has been initiated and elaborated by the Ministry of Agrarian Policy and Food of Ukraine in cooperation with local organic stakeholders and international partners. Experts of organic priority of the Strategy started their work in May 2017 at the Reform Support Team at the Ministry of Agrarian Policy and Food of Ukraine.

The Ukrainian Law on organic production and trade of organic products and raw materials No 425-VII was adopted on 03.09.2013 but has not been implemented. The Ministry of Agrarian Policy and Food of Ukraine has initiated a new draft of the organic law and elaborated it in partnership with key organic stakeholders and with support from international partners aiming at harmonization with the EU organic Regulation. This draft organic law on basic principles and requirements for organic production, circulation, and labeling of organic products is registered in the Ukrainian Parliament under No 5448 from 24.11.2016 and is now being fine-tuned by the Committee on Agricultural Policy and Land Affairs of the Verkhovna Rada of Ukraine (the Ukrainian Parliament).

The Ukrainian state logo for labelling of organic products was officially registered as a trademark owned by the Ministry of Agrarian Policy and Food of Ukraine.



*Figure 1: Ukrainian state organic logo*

Several Oblast (regional) State Administrations (e.g. Zhytomyr, Poltava, Lviv, Odesa, etc.) support organic development in their regions.

### **Key organic events in 2017**

The First International Congress "Organic Ukraine 2017" (26-28.01.2017, Kyiv city) gathered more than 250 participants, including 70 speakers from nine countries, for the exchange of experience and the establishment of mutually beneficial cooperation. Both Deputy Ministers of Agrarian Policy and Food of Ukraine, who are responsible for the topic of organic agriculture, Olga Trofimtseva and Olena Kovaliova, made presentations and answered questions from Ukrainian producers, international buyers, and other participants. One of the practical results of the Congress was the conclusion of two international agreements on the supply of organic products to Switzerland. Within the framework of the Congress, there was also an exhibition of organic products, where 36 exhibitors attracted the attention of more than 3'000 visitors.

More transparency could be achieved through verifying good organic farming practices, shorter supply chains, and traceability – these were the conclusions of 169 participants from 14 countries at the International Conference “Improving Integrity of Organic Supply Chains” held on 22-23.09.2017 in Odesa city.

The fourth Ukrainian National Pavilion was organized at BIOFACH 2017 (15-18.02.2017, Nuremberg, Germany). Seventeen exhibitors of the Ukrainian National Pavilion had more than 800 business

meetings. For the first time, Ukraine was presented at a high policy level. The 2<sup>nd</sup> Forum "Ukraine – Your organic sourcing Partner" at the BIOFACH 2017 gathered 120 participants from 10 countries.

### **Ukrainian National Pavilion at BIOFACH**

In 2018, the Ukrainian National Pavilion will celebrate its fifth anniversary at the international organic trade fair BIOFACH (Nuremberg, Germany) – [www.biofach.com.ua/en](http://www.biofach.com.ua/en).