



## Organic in Ukraine

Today organic market in Ukraine is constantly developing. Thanks to the country's size (603'500 km<sup>2</sup> including 41 millions ha of agricultural land), geographical location, proximity to potential international buyers and its widespread fertile black soils – **Ukraine has favourable conditions for organic agriculture.**

The number of organic operators is growing every year. No official state statistical data on organic are available in Ukraine. There are 410'550 ha of organic agricultural land, 210 organic farms and 540'000 ha of organic wild collection area in Ukraine as of the end of 2015 according to Organic Federation of Ukraine. 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 is used for both export and domestic markets.

For the last years Ukraine has become a major supplier of organic products for the Western European market. More than 80% of total **export** of Ukrainian organic agricultural production nowadays is supplied to Western Europe. The two main organic export value chains from Ukraine are agricultural commodities (i.e. cereals, oil crops, pulses) and wild collection products (i.e. berries, mushrooms, nuts, herbs). In 2016 the biggest organic export volumes were achieved with raw materials including wheat, spelt, corn, millet, barley, oat, rye, soybean, lupine, flax, sunflower, rapeseed as well as some niche products as mustard, blueberry and walnuts. Export volumes of semi-processed and processed products are increasing fast, relating mainly to organically certified hulled millet, hulled spelt, flakes, birch sap. More and more Ukrainian operators intend to sell abroad not only raw materials but organic final products, what generates involvement of additional labor force, especially in rural areas, more added value remains in Ukraine and contributes to poverty reduction in the country as well as development of new value chains and green economy. In 2016 only clients of the leading certification body Organic Standard exported from Ukraine abroad 164,8 thousand tons of organic products, the value of which was more than 45 million euro, including 157,6 thousand tons to EU countries. Organic exporters from Ukraine benefit from the Association Agreement signed in June 2014 between the EU and Ukraine, which has reduced the trade barriers for Ukrainian exporters. Since January 2016 the EU and Ukraine have started applying the Deep and Comprehensive Free Trade Area (DCFTA) which forms part of the Association Agreement. At the same time Ukrainian exporters suffer from the new EU import rules applied to Ukraine since January 2016 and prolonged for 2017. The main importers of Ukrainian organic products are Germany, Switzerland, the Netherlands, Italy, Poland, UK, Austria, France, Belgium and Hungary. In addition Ukrainian producers are already exporting to the U.S., Canada, Australia and some Asian countries. So we can proudly state that Ukrainian organic sector is going global!

The **domestic market** for organic products started its development in 2008. 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 currently access the following Ukrainian organically certified products: dairy and meat products, grocery and bakery products, vegetable oils, beverages, eggs, honey, some vegetables and fruits. The biggest challenge for domestic market is low awareness on organic among people.

Ukraine follows the **global trend "local+organic"** and has already success stories of Ukrainian exporters with products having organic status and regional identity from the Ukrainian Carpathians.

17 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 15/12/2016). These are Organic Standard, bio.inspecta, Ecocert SA, CERES, Control Union, Abcert, Kiwa BCS Öko-Garantie, Ecoglobe, ICEA, Bioagricert, Lacon, Suolo e Salute, Agreco R.F. Göderz, QC&I, Ecocert IMO Denetim, Ekoagros and A CERT. The only Ukrainian certification body is Organic Standard, all others are foreign. Since 2015 most of certification

bodies active in Ukraine participate in the newly formed “Platform Ukraine”, being part of the European Organic Certifiers Council (EOCC).

The **Law of Ukraine** “On organic production and trade of organic products and raw materials” No 425-VII was approved on September 03, 2013 but not (yet) implemented. The Ministry of Agrarian Policy and Food of Ukraine has initiated the new organic draft law and elaborated it in partnership with key organic stakeholders and support from international partners aiming at harmonization with organic EU Regulation. This organic draft law is registered in the Ukrainian parliament under No 5448 from 24/11/2016.

Development of organic market in Ukraine is one of the **priority areas in the reforming strategy plan** for agrarian sector development with working title “3+5” based on the Single and Comprehensive Strategy for Agriculture and Rural Development 2015-2020, which has been initiated and elaborated by the Ministry of Agrarian Policy and Food of Ukraine in cooperation with local organic stakeholders and international partners. By decree of the Cabinet of Ministers of Ukraine No 418-p from 27/05/2016 the organic market development is on the list of Government priorities. Therefore, the Ministry has few “home tasks”, among which is the sound legislative framework for the organic sector in Ukraine, including the registers of the certification bodies and market operators. Clear and stable rules of doing organic business have as a main goal – transparent and competitive Ukrainian organic agricultural sector, which will be reliable partner for consumers all over the world. The first **state support** on the national level for Ukrainian organic farmers is fixed in the decree of the Cabinet of Ministers of Ukraine under No 609 from 08/09/2016. It is expected that organic producers will benefit from receiving this state support in 2017. The Ministry of Agrarian Policy and Food of Ukraine and State Service of Ukraine for Geodesy, Cartography and Cadaster have developed a mechanism for support and stimulation of organic production in Ukraine through specialized land auctions. In addition Regional State Administrations (e.g. Zhytomyr, Poltava) introduced in 2016 their support for organic development in their regions.

The Ukrainian organic sector is represented by the following **organic stakeholders**: QueS consultancy body, Organic Standard certification body, International charitable organization “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, Eko-Rost, BIOLan Ukraine Association of Organic Production Stakeholders, Retail academy, Institute of organic production.

Ukraine receives **international support for organic market development** from Switzerland (SECO-FiBL) since 2002 and from Germany (BMEL-AFC/IAK) since 2016.

Organic stakeholders including active organic producers, processors, traders and retailers improve the collaboration among themselves and together with the policy makers aim at organic market development in Ukraine. Thanks to this cooperation and support from international projects the following **success stories** happened – Ukrainian National Pavilion for the 4th time at the Biofach, selection of the Ukrainian state logo for organic products, organic as a priority in the AgriStrategy 2015-2020.

**Ukrainian organic sector is growing rapidly** both as for the quantity of its operators and as for the quality of its products. Taking into account the common aspiration of the business, government and all other stakeholders to make Ukraine the global organic hub there is no doubt that Ukraine is and will be source of high quality organic products and strong partner in organic business for international market.

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