



ORGANIC IN UKRAINE

Factsheet as of 12.02.2020
OrganicInfo.ua
#OrganicInUkraine

The organic market in Ukraine is constantly developing. Thanks to the country's size (603.6 thousand km² 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

The operational monitoring data as of 31.12.2018 collected by the Reform Support Team at the Ministry for Development of Economy, Trade and Agriculture of Ukraine from certification bodies which certified organic production and trade in Ukraine:

- Total area of agricultural land organic and in conversion (equivalent to organic EU Regulation) – **309 100 ha**, including organic agricultural area – **233 500 ha**;
- Organic share from total agricultural land – **0.7 %**;
- Total number of operators (equivalent to organic EU Regulation and NOP) – **635** (including 501 agricultural producers), including 628 operators according to equivalent to organic EU Regulation and 52 operators according to NOP (from them 7 operators are certified according to NOP only).

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 the US National Organic Program (NOP) and/or Canada Organic

Regime (COR). Other organic standards used in Ukraine are Bio Suisse (Switzerland), Naturland and Bioland (Germany), JAS (Japan), and KRAV (Sweden).

ORGANIC EXPORT

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 the estimated data from the survey of Organic Standard, in 2018 the top organic products (by volume) exported from Ukraine were: corn, wheat, soya, sunflower seeds, sunflower oil, rapeseed, apple juice (concentrated), blueberry (frozen), spelt wheat, apples (fresh), barley, pea, hulled millet, sunflower cake, rye, oats, lupine, pumpkin seed, flax seeds, elderberry (frozen), etc. In 2017, there was the first export of Ukrainian organic honey, and in 2018 and 2019 its exported volumes amounted about 300 tons each year.

In addition, the volume of exported frozen raspberries has increased significantly in the recent 3 years and reached about 800 tons in 2019. In 2019 about 800 tons of organic sugar (from sugar beet) was exported from Ukraine for the first time.

In total, Ukraine shipped about 80 different organic trade items in 2018 to about 35 countries.

TOTAL NUMBER OF OPERATORS IN UKRAINE

426



2016

504



2017

635



2018

597



2019

TOP 10 UKRAINIAN EXPORTED ORGANIC PRODUCTS, 2018



Source: Organic Standard LLC (based on estimated data from the survey)

More and more Ukrainian operators intend to sell not only raw materials but also organic semi-processed and processed products abroad. For example, the export of organic sunflower oil increased significantly in 2018.

In 2018 organic export from Ukraine to the EU reached 266 741 tons according to the EU Commission's report "Organic imports in the EU. A first analysis – Year 2018". Organic export value was about 157 million US dollars (estimated data from the survey conducted by the Organic Standard certification body). The organic exporters from Ukraine benefit from the Association Agreement signed in June 2014 between the EU and Ukraine. Since January 2016 the EU and Ukraine have been applying the Deep and Comprehensive Free Trade Area (DCFTA), a part of the Association Agreement. The Canada-Ukraine Free Trade Agreement came into force on 1 August 2017. From 2017 Canada has been revealing as an attractive trading direction for Ukrainian operators, who have already certificated their production according to the regulations of COR. Moreover, these agreements have reduced trade barriers for Ukrainian exporters. However, Ukrainian exporters suffer from the EU guidelines on additional official controls on products from Ukraine, which have been applied since June 2015 and are prolonged by the EU Commission every year (for 2020 as well).

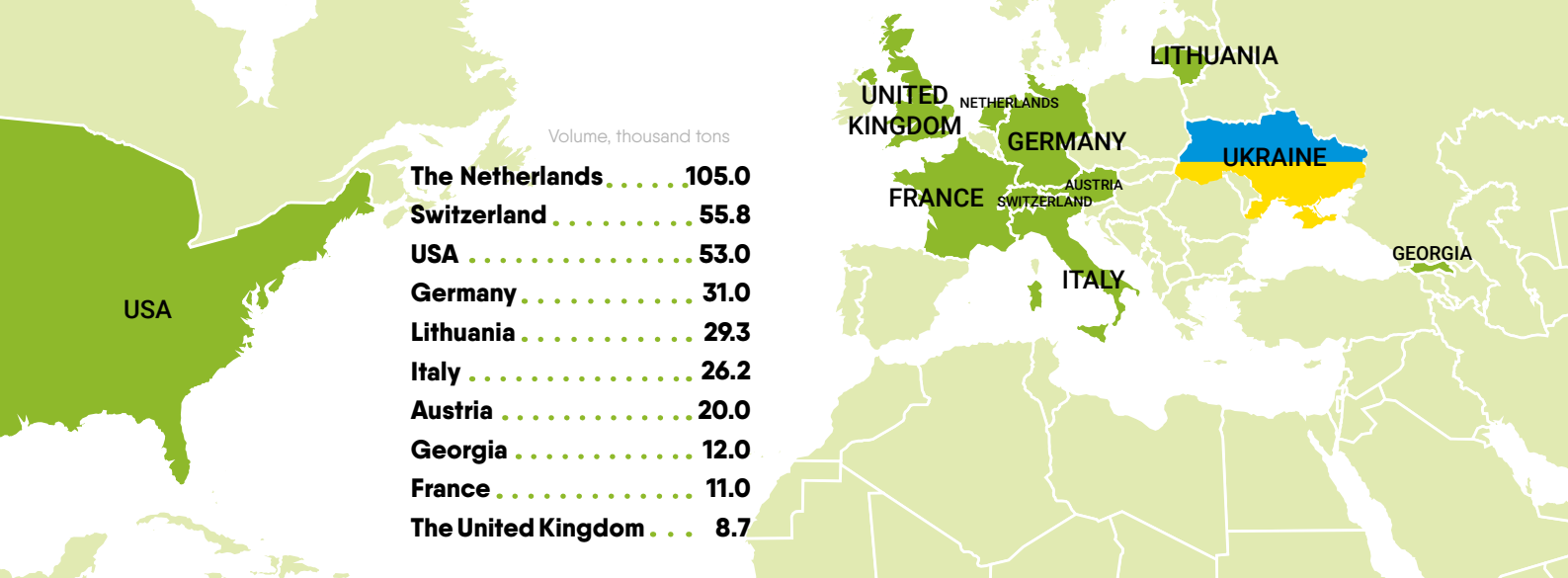
According to the Organic Standard data, during 2016–2018, the largest importing countries (by volume) of Ukrainian organic products of operators certified by all certification bodies are the Netherlands, Germany, the USA, Switzerland, Italy, the UK, Austria, Poland, the Czech Republic, France, Hungary, Romania, Belgium, Bulgaria, Lithuania, Canada and Denmark. Ukrainian producers also export to Australia, and some Asian countries. More than 200 companies import organic products from Ukraine.

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. **Overall sales of Ukrainian organic products at domestic market in 2018 reached about 6 700 thousand kg with value of about 20 million euro** (Source: Organic Standard). The assortment of organic products available on the shop shelves is still not full. Consumers can buy the following Ukrainian organic product categories in retail: dairy and meat products, groats, eggs, flour, macaroni products, vegetable oils, beverages (juice, birch sap, herbal tea), white and black chocolate, honey, spices, canned products (e.g. berry paste, syrup, jam), semi-final product, some vegetables and fruits, snacks (e.g. corn sticks, nutrition bars), etc. According to the data collected by Organic Ukraine NGO, as of 2019 there are 60 processors in Ukraine which have final packed organic products already being sold on the domestic market. The biggest challenges for the domestic market are low awareness on organic among consumers and limited purchase power.



TOP 10 IMPORTING COUNTRIES OF ORGANIC PRODUCTS FROM UKRAINE, 2018



Source: Organic Standard LLC (based on estimated data from the survey)

CERTIFICATION BODIES

18 internationally accredited certification bodies are included in the official list of approved organic certification bodies for Ukraine according to EU Regulation 1235/2008. 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., A CERT European Organization for Certification S.A., Letis S.A, CCPB Srl, Valsts SIA "Sertifikācijas un testēšanas centrs", Albinspekt and Biocert International Pvt Ltd. The only Ukrainian certification body is Organic Standard; all others are foreign ones or their local branches. Most of the certification bodies operating in Ukraine are members of the European Organic Certifiers Council (EOCC).

ORGANIC STAKEHOLDERS

There are many organic stakeholders in Ukraine: Organic Ukraine NGO of Producers of Organic Certified Products, Organic Federation of Ukraine, Information center "Green Dossier", Organic Standard certification body, Organic Business School, Ecoterra Lviv NGO, Ukrainian Organic Cluster, VIP Group, Institute of Organic Production, BIOLan Ukraine Association of Organic Production Stakeholders, Sib-Agro, Bykov PE, Ukrainian Berries Association, Organic Expert Consulting, OrganicInfo information portal, OrganicUA magazine, Natur Boutique specialty shop, Biologic.tv specialty shop, as well as active organic producers, processors, traders and other organic stakeholders.

INTERNATIONAL SUPPORT

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

- Switzerland: State Secretariat for Economic Affairs (SECO, Switzerland), Research Institute of Organic Agriculture (FiBL) through the Swiss-Ukrainian Project "Organic Market Development in Ukraine" (2005–2018) and Project "Consolidation of the Local Organic Certification Bodies"; Swiss Agency for Development and Cooperation (SDC), and Bern University of Applied Science (BFH) (2002–2010), SDC small project "Organic Market Study and Policy Development Support" (2019–2020), SECO-FiBL-SAFOSO Program "Higher Value Added Trade from the Organic and Dairy Sector in Ukraine" (2019–2023);
- Germany: Federal Ministry of Food and Agriculture (BMEL), Agriculture & Finance Consultants (AFC) and IAK Agrar Consulting through Project "German-Ukrainian co-operation in the field of organic agriculture" and AgriTrade project since 2016;
- USA: USAID through the AgrolInvest project in 2011–2016 and the Agriculture and Rural Development (ARDS) project since 2016 and the Western NIS Enterprise Fund (WNISEF) (2017–2018), USAID Competitive Economy Program (CEP) (2020);
- Canada: Global Affairs Canada and Mennonite Economic Development Associates (MEDA) through the Ukrainian Horticulture Business Development Project (UHBDP) (2014–2021); The Canada-Ukraine Trade and Investment Support (CUTIS) Project, (2016–2021);
- EU: Project "Support to Agricultural and Food Policy Implementation" (2015–2020); Eastern Partnership – Ready to Trade: an EU4Business initiative implemented by the International Trade Center (ITC) (2017–2021);

- Sweden: Swedish International Development Cooperation Agency;
- The Food and Agriculture Organization of the United Nations (FAO), EU4Business and the European Bank of Reconstruction and Development (EBRD) (2016–2018).



Figure 1: Ukrainian state organic logo

POLICY ON ORGANIC

The Ukrainian law on the Main Principles and Requirements towards Organic Production, Circulation, and Labelling of Organic Products №2496–VIII was adopted on 10.07.2018 by the Verkhovna Rada of Ukraine (the Ukrainian Parliament), signed by the President of Ukraine on 30.07.2018, entered into force on 02.08.2018 and it shall apply from 02.08.2019. Ministry for Development of Economy, Trade and Agriculture of Ukraine together with local organic stakeholders and international partners are in the process of elaborating corresponding by-laws for further implementation of the Organic Law of Ukraine.

The Ukrainian state logo for labelling of organic products was officially registered as a trademark owned by the Ministry (Figure 1). As of February 2020, there are no products labelled with the Ukrainian state organic logo on the shelves of retail yet. There are only organic products labelled with the EU organic logo and some international/private organic standards.

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

¹ Organic Law of Ukraine at the Parliament's website (in Ukrainian only) <https://zakon.rada.gov.ua/laws/show/2496-19>

Scheme of Organic Law of Ukraine (EN): https://organicinfo.ua/wp-content/uploads/2019/09/Scheme-UA-Organic-Law_EN.pdf

UKRAINIAN EXHIBITORS AT BIOFACH 2020

There are 37 Ukrainian exhibitors at the BIOFACH 2020 (Germany): Agroecology PE, Agrotrade Export LLC, All in Foody Group (Cepheus Group LLC), Alta Kraina, Arnika Organic LLC, Eurofins Agro Testing Ukraine, Galeks-Agro PE, Healthy Tradition, Hermes Agri-Company, Dibrivka Agroservice LLC, Organic Ukraine Business Hub (Organic Ukraine NGO), Ukrainian Bee LLC (Bartnik), UkrBioLand ASC, Ukroliya LTD, Vanik Organic LLC, Organic Original Ltd (Ecorod TM), Kryvozersk'ii oliynii zavod Organic LLC (Oliyatorg TM), Lymansk FC, Liga Agro APC, Agro Organic AE LLC, Rivneholod ALC, Amethyst-Ole LLC, Miriada Fruits, Oril-Eco LLC, Dvipa LLC, Galfrost LLC, Ukrainian Fresh-frozen product LLC (UFP), AMC Yahidky (BigBlue), Organic Standard certification body, Ukrainian Berries Association, Agrofusion, PrimFood PC, ProOrganica, Skvyrskyi grain processing factory Ltd (Skvira), Agrofirma "Pole" LTD, BTU-Center PE, T.B. Fruit Group of Companies. They participate as exhibitors within the Ukrainian National Pavilion (organised by Organic Ukraine NGO), ITC stand and as individual exhibitors.

MORE INFORMATION ABOUT ORGANIC IN UKRAINE – ORGANICINFO.UA

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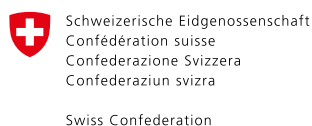
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Authors:

Natalie Prokopchuk, SECO-FiBL-SAFOSO Swiss-Ukrainian Program "Higher Value Added Trade from the Organic and Dairy Sector in Ukraine", natalie.prokopchuk@qftp.org, www.qftp.org
Sergiy Galashevskyy, Organic Standard certification body, General Manager, galashevskyy.s@organicstandard.ua, www.organicstandard.ua

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